



## **Request for Proposal 08-85022**

California Medicaid Management Information Systems Fiscal Intermediary  
(CA-MMIS)

Department of Health Care Services  
Office of Medi-Cal Procurement  
MS Code 4200  
1501 Capitol Avenue, Suite 71.3041  
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**U. Required Attachments**

Attachment #	Attachment Name
Attachment 1	Proposal Cover Page
Attachment 2	Required Attachment/Certification Checklist
Attachment 3	Business Information Sheet
Attachment 4	Client References
Attachment 5	RFP Clause Certification
Attachment 6	CCC 307 – Certification
Attachment 7	Payee Data Record
Attachment 8	Follow-on Contract Disclosure
Attachment 9	DVBE Instructions/Forms
Attachment 9a	Actual DVBE Participation
Attachment 9b	DVBE Good Faith Effort
Attachment 10	Non-Small Business Subcontractor Preference Instructions
Attachment 10a	Non-Small Business Subcontractor Preference Request
Attachment 10b	Small Business Subcontractor/Supplier Acknowledgement
Attachment 11	Target Area Preference Act (TACPA) Request
Attachment 12	Enterprise Zone Act (EZA) Preference Request
Attachment 13	Voluntary Letter of Intent
Attachment 14	Request for Inclusion on Mailing List
Attachment 15	Conflict of Interest Compliance Certificate
Attachment 16	Price Bid Sheets Completion Instructions
Attachment 16-1	Takeover Bid Price Form
Attachments 16-2 through 16-23	Price Bid Sheets
Attachment 17	Cost Proposal Form

Attachment 18	Bid Document Certification
Attachment 19	Small Business Preference
Attachment 20	Evaluation Criteria
Attachment 21	Darfur Contracting Act Certification

**V. Sample Contract Forms / Exhibits**

Exhibit #	Exhibit Name
Exhibit A1	Standard Agreement
Exhibit A, Attachment I	Takeover
Exhibit A, Attachment II	Operations
Exhibit A, Attachment III	Change Requirements
Exhibit A, Attachment IV	Enhancements
Exhibit A, Attachment V	Turnover
Exhibit A, Attachment VI	System Replacement
Exhibit A, Attachment VII	Optional Contractual Services
Exhibit B	Budget Detail and Payment Provisions
Exhibit B, Attachment I	Special Payment Provisions
Exhibit C	General Terms and Conditions (GTC 307) View or Download at: <a href="http://www.ols.dgs.ca.gov/Standard+language/default.htm">http://www.ols.dgs.ca.gov/Standard+language/default.htm</a>
Exhibit D(F)	Special Terms and Conditions
Exhibit E	Additional Provisions
Exhibit F	Contractor's Release
Exhibit G	Travel Reimbursement Information
Exhibit H	HIPAA Business Associate Addendum

Exhibit I	Information Confidentiality and Security Requirements
Exhibit J	Staffing Requirements
Exhibit K	Glossary
Exhibit L	Gap Analysis

**W. Program Appendices**

Appendix #	Appendix Name
Appendix 1	Driving and Parking Instructions to DHCS
Appendix 2	Data Library Index
Appendix 3	Data Library Security & Confidentiality Agreement
Appendix 4	Data Library Access Request
Appendix 5	Data Library Access Revocation
Appendix 6	Data Library Appointment Request
Appendix 7	Medi-Cal Statistics



## **A. Purpose, Description of Services and Background**

### **1. Purpose**

The California Department of Health Care Services (DHCS), Fiscal Intermediary & Contracts Oversight Division (FICOD) is soliciting proposals from firms qualified to takeover and operate the existing Legacy California Medicaid Management Information System (CA-MMIS), and provide the latest advancements and innovations to eventually transition to a replacement CA-MMIS to meet new State and federal requirements. The selected Contractor must effectively and efficiently adjudicate claims and related documents while improving services to medical program providers, beneficiaries, and federal and State users of the system. Proposers must address all of the services and requirements described in this Request for Proposal (RFP).

DHCS intends to make a single Contract award to the most responsive and responsible firm earning the highest score. Cost will be a factor in the selection of the Contractor, but the selected Contractor will be the firm achieving the highest total score as described in this RFP.

This procurement is open to all eligible firms and/or individuals that meet the qualification requirements as described in this RFP, including commercial businesses, nonprofit organizations, State or other public universities (including auxiliary organizations) and other entities.

It is important that the selected Contractor have the capability to not only takeover and operate the existing Legacy CA-MMIS in order to meet the current needs of California's system users and programs, but be able to propose a replacement CA-MMIS that will be sufficiently flexible to meet future needs as they are identified.

At a minimum, the Replacement System must meet the following criteria (not in priority order):

- a. Create an environment for integrating the business and Information Technology (IT) environments to improve the management of the Medi-Cal Program.
- b. Provide a solid platform for future growth with scalable architecture that can grow and change with the Medi-Cal Program.
- c. Support DHCS move toward Health Information Exchange/Health Information Technologies (HIE/HIT) to support improved outcomes and quality services for Medi-Cal beneficiaries additional detail (provided below).
- d. Support enhanced fraud detection and prevention strategies.
- e. Align CA-MMIS with current industry Medicaid Information Technology Architecture (MITA) and Service Oriented Architecture (SOA) guidelines to allow for more competitive bid processes in future FI procurements.
- f. Move the State forward to a higher MITA competency/maturity level.

- g. Meet all current federal regulations for reporting in compliance with the Health Information Portability and Accountability Act (HIPAA).
- h. Provide easier access for the provider community to submit and correct claim documents and retrieve status information, billing information, and help electronically.
- i. Allow for State implementation of policy and system changes quickly, at minimum cost.
- j. Make Privacy and Security of all data a high priority and comply with all federal and State Privacy and Security requirements.

## 2. Description of Services

A number of innovative features are included as requirements in this RFP. Therefore, it is critical that interested Proposers carefully read, analyze, and understand all sections and provisions of the RFP.

The following requirements represent significant changes to the current claims processing system:

### a. Contract Management Approach

DHCS requires a contract management approach that promotes a collaborative assessment and monitoring of the FI responsibilities. DHCS expects to monitor and audit the Contractor's performance through automated self-reporting best of breed tools provided as a condition of the resulting contract. These tools will be a requirement of the takeover of the Legacy System and included as part of the Adjudicated Claim Line (ACL) fixed cost.

### b. Quality Management Approach

DHCS requires a quality management approach that provides comprehensive portfolio management and reporting of all Contractor resources and projects. To ensure effective portfolio management and reporting, the Contractor shall utilize a DHCS approved Commercial-Off-the-Shelf (COTS) web based tool.

### c. Expansion Items

DHCS requires these items to be implemented and operational as of the Assumption of Operations. A list of these items may be found in Exhibit A, Attachment I.

### d. Changes to Current Payment Methodology

The following represent significant changes to the current payment methodology:

*Fixed Cost Adjudicated Claim Line (ACL) Bids*

DHCS will require many services that were previously paid through Hourly rates and other means to now be factored into the Proposers' fixed ACL cost.

*Precedent to Payment Requirements*

DHCS has determined that all contract requirements, standards and milestones/deliverables are considered subject to precedent to payment requirements, at the Contracting Officer's sole discretion. These items are discussed in detail in Exhibit B, Attachment I.

*Systems Group*

DHCS has made significant changes to the methodology for payment of this group. Many activities previously assigned to this group will now be considered as payable in fixed cost categories, and only certain activities will be assigned to the group and payable in hourly reimbursement categories. These activities are described in detail in Exhibit A, Attachment III.

e. Cost Containment

DHCS offers the Contractor the opportunity to participate in the management of Medi-Cal expenditures during the contract period. The Contractor may propose new and creative ideas for increasing DHCS control over the expenditure of program dollars. If accepted and implemented by DHCS during the Operations Period, payment shall be made after savings are actually realized. Cost containment provisions are described in Exhibit B, Attachment I. This does not include operational or administrative savings.

f. Replacement System Requirements

The following represents new contract requirements for the CA-MMIS:

DHCS intends to replace the current CA-MMIS with new technology and functionality that will allow for improved claims processing and enhanced management of the CA-MMIS. DHCS requires proposals that will offer the best solutions for technology that will align CA-MMIS with current industry standards that are both Medicaid Information Technology Architecture (MITA) and Service Oriented Architecture (SOA) compliant. This will require transforming the architecture and infrastructure of the existing information systems from procedurally programmed, monolithic applications into enterprise-wide, services-oriented components.

g. Health Information Technology/Health Information Exchange (HIT/HIE)

DHCS is committed to providing value driven health care to its beneficiaries that leverages Medi-Cal's purchasing power to measure and reward quality in health care. HIT is an integral component of a value driven health care system. DHCS intends to pursue the adoption of new technologies such as e-prescribing and HIE to be adopted by all California providers during the life of the contract.

DHCS is also committed to improving health care quality and reducing costs of the Medi-Cal program by supporting provider adoption of and Health Information Exchange (HIE). It is the intention of DHCS to facilitate HIE through the CA-MMIS mechanisms. Recent advances in HIT and HIE, in concert with Federal initiatives aimed at establishing standards for HIE hold great promise for improving healthcare quality, effectiveness, and efficiency for our Medi-Cal beneficiaries (refer to <http://www.hhs.gov/healthit/>). DHCS is participating in several pilot or proof of concept projects to gain knowledge for the purpose of planning, policy setting and implementing programs that improve quality of care and reduce costs.

#### h. Business Services

The CA-MMIS Contract currently provides, and will continue to provide, the following services:

##### 1) Claims Adjudication Operations

Responsible for all aspects of implementing DHCS policy in regards to adjudicating healthcare provider claims for services provided to Medi-Cal beneficiaries. This includes receiving, inputting, reviewing and pre-processing of claims and Treatment Authorization Requests (TARs); providing reports; record retention; and providing expert witness testimony.

##### 2) Provider Relations (PR) Operation

Acts as the communication liaison between healthcare providers, DHCS, and the claims adjudication operations. PR Organization staff provides training to providers and provides on-site assistance at the provider's place of business to address questions or concerns about program policies, laws, regulations, and claims issues.

##### 3) Telephone Service Center (TSC) Operations

Responds to all telephone inquiries from providers, billing agents, beneficiaries, and DHCS and Contractor staff.

##### 4) Provider Publications Media and Distributions

Publishes and disseminates Medi-Cal and other health program provider publications, such as manuals, bulletins, procedure guides and forms as directed by DHCS. It is the responsibility of the FI to maintain and improve the Medi-Cal portal as the interface with Medi-Cal providers, beneficiaries, and Medi-Cal stakeholders.

##### 5) Quality Management

Develops, implements, maintains and monitors quality measures to enhance the integrity of claims adjudications, system maintenance, modifications, and provider and beneficiary relations. DHCS performance expectations and

precedent to payment criteria are used to ensure compliance with contract performance standards.

6) Security and Confidentiality

Ensures appropriate safeguards are in place to protect the confidentiality and security of all information, and to ensure compliance with federal and State privacy and confidentiality laws, including Health Insurance Portability and Accountability Act (HIPAA).

### 3. Background

#### General Information

In July 1965 as amendments to the Social Security Act, Title XVIII established the Medicare program, and Title XIX established the state-option medical assistance program known as Medicaid, providing federal matching funds to states implementing a single, comprehensive medical care program.

State legislation implementing the Title XIX program was signed in November 1965 (Welfare and Institutions Code Section 14000). Medi-Cal, the California medical assistance Medicaid program, became effective in March 1966. Prior to the start of Medi-Cal, indigent Californians had been provided health care services through a variety of programs administered by the counties. With the advent of Medi-Cal, a wide range of health benefits was provided uniformly to those individuals throughout the State whose income and resources were insufficient to meet the costs of medical services without jeopardizing the person's or family's self-maintenance and security. Medi-Cal is funded primarily by federal and state monies. Generally, the federal government contributes fifty percent (50%) for medical services costs related to virtually all beneficiaries currently covered by the program. With few exceptions, state government contributes the balance. The Medi-Cal program is administered by the State in cooperation with federal and county governments.

From its inception, Medi-Cal has experienced increasing program costs, primarily as a result of spiraling growth in the caseload, utilization of service, and hospital costs. A Medi-Cal Reform Plan was enacted by statute in October 1971 (Chapter 577, Statutes of 1971) with the objective of developing an equitable statewide eligibility system, a uniform schedule of benefits for eligible's within a strong system of utilization and quality controls, and an improved system of health care delivery and health care financing for the program.

Modifications to the program are continually occurring because of federal and State legislation, departmental regulations, and other efforts to improve the program. Proposers should be aware that Contractor responsibility will include the planned and orderly implementation of the applicable provisions of all state and federal legislation and regulations whenever they may occur within the life of the contract.

### History of California Fiscal Intermediary Services

Since 1966 the Medi-Cal program claims payment activities have been performed under a contract with fiscal intermediaries. In February 1966 a cost reimbursement contract was awarded to Hospital Service of California (Blue Cross North), Hospital Service of Southern California (Blue Cross South), and California Physician Services (Blue Shield) to operate the Medi-Cal program. In November 1972 the Blue Cross/Blue Shield systems were upgraded and a single management structure known as Medi-Cal Intermediary Operations (MIO) was formed. Additionally, the fiscal intermediary subcontracted with Electronic Data Systems (EDS) for improved computer processing for institutional and non-institutional claims.

With the Legislature's concurrence, in 1976 the State decided to seek competitive bids for a new State-owned fiscal intermediary system. After a lengthy bidding process, DHCS awarded a contract (effective September 1, 1978) to Computer Sciences Corporation (CSC). This contract required that CSC design, develop, install, and operate a State-owned CA-MMIS for five and one-half (5.5) years and then turn it over to DHCS or a successor contractor.

In 1983 through another competitive procurement process, CSC again won the contract for an additional five and one-half (5.5) year period. This contract required CSC to operate and enhance the existing system and then turn that system over to DHCS or a successor contractor at the end of the contract term.

In 1987, 1992, and again in 2002, through the competitive bid process, EDS won the contracts to takeover, operate, enhance the existing system and, at the end of the contract period, turn the system over to DHCS or a successor contractor. The existing contract will expire on June 30, 2009.

### Medi-Cal Program Administration

DHCS, as part of the Health and Human Services Agency, is the single State department responsible for administering and managing the Medi-Cal program. Within the DHCS, the Fiscal Intermediary & Contracts Oversight Division (FICOD) is where day-to-day oversight and management of fiscal intermediary services occurs.

## B. Time Schedule

Below is the tentative time schedule for this procurement.

Event	Date	Time (If applicable)
RFP Released	December 9, 2008	
Proposer Confidential Meetings * Please see Pre-Proposal Bulletin 24. This bulletin is incorporated by reference. Meetings must be scheduled no later than close of business December 19, 2008.	December 22 & 23, 2008	

<b>Event</b>	<b>Date</b>	<b>Time (If applicable)</b>
Questions Due	January 13, 2009	4:00 p.m.
Voluntary Pre-Proposal Conference	January 15, 2009	10:00 a.m.
Voluntary Non-Binding Letter of Intent	January 13, 2009	4:00 p.m.
Proposal Due Date	June 15, 2009	4:00 p.m.
Notice of Intent to Award Posted	August 27, 2009	
Protest Deadline	September 3, 2009	5:00 p.m.
Contract Award Date	September 4, 2009	
Proposed Start Date of Agreement	October 1, 2009	

### **C. Contract Term**

The term of the resulting agreement is expected to be 75 months and is anticipated to be effective from October 1, 2009, through December 31, 2015.

DHCS may extend the Contract using up to five (5), one (1) year optional extensions. The Contract may be extended using any combination of the five (5), one (1) year optional extensions at one (1) time. Contract extensions are subject to satisfactory performance of Scope of Work (SOW) Requirements, funding availability, and possibly approval by the Department of General Services (DGS).

The agreement term may change if DHCS makes an award earlier than expected or if DHCS cannot execute the agreement in a timely manner due to unforeseen delays.

The resulting Contract will be of no force or effect until it is signed by both parties and approved by DGS, if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained. Should performance commence before all approvals are obtained, said services may be considered to have been volunteered if all approvals have not been obtained.

## D. Proposer Questions

Immediately notify DHCS if clarification is needed regarding the services sought or questions arise about the RFP and/or its accompanying materials, instructions, or requirements. Put the inquiry in writing and transmit it to DHCS as instructed below. At its discretion, DHCS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a Proposal at their own risk. In addition, if awarded the Contract, the successful Proposer shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission, or error.

Following the question submission deadline, DHCS will summarize all general questions and issues raised and mail, email, or fax the summary and responses to all persons who requested this RFP. Responses will be released as soon as possible following the Proposer Conference.

If an inquiry appears to be unique to a single firm or is marked "Confidential", DHCS will mail, email, or fax a response only to the inquirer if DHCS concurs with the Proposer's claim that the inquiry is sensitive or proprietary in nature. If DHCS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that DHCS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

### 1. What to Include in an Inquiry

- a. Inquirer's name, name of firm submitting the inquiry, mailing address, email address, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.
- c. RFP section, page number or other information useful in identifying the specific problem or issue in question.
- d. Remedy sought, if any.
- e. Format your inquiries as follows:

RFP Reference	Section	Page Number	Question
Example: Use "General" if a general question or "RFP" if the question deals with a section within the RFP or "Exhibit A", "Exhibit A, Att I", "Exhibit B", "Exhibit B, Att I", "Attachment 1", etc.	Indicate the section number or letter along with subsection or paragraph site identifiers	Example: 27 of 89	



A prospective Proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a Proposal may submit individual inquiries that are marked "Confidential". The Inquirer must include with its inquiry an explanation as to why it believes questions marked "Confidential" are sensitive or surround a proprietary issue.

## 2. Question Deadline

Proposers are encouraged to submit written inquiries about this RFP to DHCS no later than two (2) working days before the Pre-Proposal Conference date so answers can be prepared in advance. Notwithstanding the initial question submission deadline, DHCS will accept written or faxed inquiries received by **4:00 p.m. on January 13, 2009**. At its discretion, DHCS may contact an inquirer to seek clarification of any inquiry received.

Notwithstanding the initial question submission deadline, DHCS will accept questions or inquiries about the following issues if such inquiries are received prior to the Proposal submission deadline.

- a. DVBE participation requirements and how to complete the DVBE attachments,
- b. The reporting of RFP errors or irregularities.

## 3. How to Submit Questions

Submit inquiries using one of the following methods.

<b>U.S. Mail, Hand Delivery or Overnight Express:</b>	<b>Fax:</b>
Questions RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave , Suite 71.3041 P.O. Box 997413 Sacramento, CA 95899-7413 E-mail: OMCPRFP5@dhcs.ca.gov	Questions RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement Fax: (916) 440-7369

Proposers submitting inquiries by fax are responsible for confirming the receipt of all faxed materials by the question deadline.

Call OMCP at (916) 552-8006 to confirm faxed transmissions.

## 4. Proposer Warning

- a. DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If questions are mailed, consider using certified or registered mail and request a receipt upon delivery.

- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. If detained at the security desk, ask security personnel to call OMCP at (916) 552-8006 to arrange for question pickup and receipt issuance by program staff.
- c. Courier service personnel must sign-in at the security station. Ask security personnel to call OMCP at (916) 552-8006 to collect the question envelope and to issue a receipt.

For driving and parking instructions, please review Appendix 1.

## 5. Verbal Questions

Verbal inquiries are discouraged. DHCS reserves the right not to accept or respond to verbal inquiries. **Spontaneous verbal remarks provided in response to verbal inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.**

**No inference should be drawn from any questions to which DHCS does not respond in writing.**

Direct all verbal requests for DVBE assistance to DHCS' DVBE Coordinator at (916) 650-0205 until the Proposal deadline.

## E. Data Library

A Data Library for the sole use of Proposers was established on June 6, 2008 and remains open. The Data Library is a collection of CA-MMIS documentation, provider policy manuals, and general information related to the California Medicaid program and the California MMIS.

Details concerning access to the Data Library, including documentation requirements, appointments to view documentation, and contents were provided in Pre-Proposal Bulletins 3 & 8, available on the OMCP website:

[http://www.dhcs.ca.gov/ProvGovPart/rfa\\_rfp/Pages/OMCPHomePage.aspx](http://www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx).

In addition, the documentation and access requirements are included in this RFP in the Appendix section.

## F. Pre-Proposal Conference

DHCS will conduct a voluntary Pre-Proposal Conference in Sacramento on January 15, 2009 beginning at 10:00 a.m. the following location:

Department of Health Care Services Auditorium  
1500 Capitol Ave 1<sup>st</sup> Floor Auditorium  
Sacramento, CA 95814

Prospective Proposers that intend to submit a Proposal are encouraged to attend the voluntary Pre-Proposal Conference. It shall be each prospective Proposer's

responsibility to attend the Pre-Proposal Conference promptly at 10:00 a.m. DHCS reserves the right not to repeat information for participants that join the conference after it has begun.

If a potential prime Contractor is unable to attend the voluntary Pre-Proposal Conference, an authorized representative of its choice may attend on its behalf. The representative may only sign-in for one (1) potential prime Contractor. Subcontractors may represent a potential prime Contractor at the voluntary Pre-Proposal Conference.

The voluntary Pre-Proposal Conference is a public event or meeting and anyone can attend.

The purpose of the conference is to:

1. Allow prospective Proposers to ask questions about the services sought or RFP requirements and/or instructions.
2. Share the questions and inquiries received before and during the conference. Any responses provided at the Conference are unofficial until the issuance of the official DHCS Q&A document for this procurement.

**Spontaneous verbal remarks provided in response to questions/inquiries are unofficial and are not binding on DHCS unless later confirmed in writing.**

Carefully review this RFP before the conference date to become familiar with the qualification requirements, SOW Requirements and Proposal Content Requirements. Conference attendees are encouraged to have their copy of this RFP available for viewing during the conference.

Refer to the RFP section entitled, "Proposer Questions" for instructions on how to submit written questions and inquiries before the conference date.

If DHCS is unable to respond to all inquiries received before and/or during the conference, DHCS will provide written answers shortly thereafter. DHCS reserves the right to determine which inquiries will be answered during the conference and which will be answered later in writing.

After the conference, DHCS will summarize all general questions and issues raised before and during the conference and mail, email, or fax the summary and responses to all persons who received this RFP and to those who attended/participated in the conference. If an inquiry appears to be unique to a single firm or is marked "Confidential", DHCS will mail, email, or fax a response only to the inquirer if DHCS concurs with the inquirer's claim that the inquiry is sensitive or proprietary in nature. If DHCS does not concur, the inquiry will be answered in the manner described herein and the inquirer will be so notified. Inquiries and/or responses that DHCS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHCS may consolidate and/or paraphrase similar or related inquiries.

Conference attendees are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

For driving and parking instructions, please review Appendix 1.

## **G. Reasonable Accommodations**

For individuals with disabilities, DHCS will provide assistive services such as sign-language interpretation, real-time captioning, note takers, reading or writing assistance, and conversion of Pre-Proposal Conference handouts, Request for Proposal, questions/answers, RFP Addenda, applicable library materials, or other Administrative Notices into Braille, large print, audiocassette, or computer disk. To request such services or copies in an alternate format, please call the number below no later than January 8, 2009 to arrange for reasonable accommodations.

Department of Health Care Services  
Office of Medi-Cal Procurement  
Program telephone number (916) 552-8006  
(TTY) California Relay telephone number 711-1-800-735-2929

NOTE: The range of assistive services available may be limited if requests are received less than ten (10) State working days prior to the conference date or requestors cannot allow ten (10) or more State working days prior to date the alternate format material is needed.

## **H. Voluntary Non-Binding Letter of Intent**

### **1. General Information**

Prospective Proposers are asked to voluntarily indicate either their intention to submit a Proposal or to indicate the reason(s) for not submitting a Proposal. Failure to submit the Letter of Intent will not affect the acceptance of any Proposal. The Letter of Intent is not binding and prospective Proposers are not required to submit a Proposal merely because a Letter of Intent is submitted. Use the Letter of Intent (Attachment 13) for this purpose.

### **2. Submitting the Letter of Intent**

Regardless of delivery method, the "voluntary" Letter of Intent must be received by **4:00 p.m. on January 13, 2009.**

Submit the Letter of Intent using one of the following methods.

<b>U.S. Mail, Hand Delivery or Overnight Express:</b>	<b>Fax:</b>
Letter of Intent RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave, Suite 71.3041 P.O. Box 997413 [Sacramento, CA 95814 E-mail: OMCPRFP5@dhcs.ca.gov	Letter of Intent RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement  <b>Fax: (916) 440-7369</b>

Proposers transmitting a Letter of Intent by fax are responsible for confirming the receipt of the faxed Letter of Intent by the stated deadline.

Call OMCP at (916) 552-8006 to confirm faxed transmissions.

### 3. Request for Inclusion on Mailing List – General Information

DHCS recognizes that not all interested parties will want to continue receiving updates concerning this RFP. In addition, printing and mailing updates to all interested parties on the mailing list is costly to DHCS. Therefore, please be advised that while the Letter of Intent is voluntary, DHCS will continue to provide automatic updates about the RFP only to prospective Proposers who have provided a Request for Inclusion on Mailing List form, Attachment 15. Regardless of delivery method, this form is due by 4:00 p.m. January 13, 2009.

It is incumbent upon any Proposer who has not submitted the Request for Inclusion on Mailing List form, but intends to bid on this Contract, to monitor OMCP's website at [http://www.dhcs.ca.gov/ProvGovPart/rfa\\_rfp/Pages/OMCPHomePage.aspx](http://www.dhcs.ca.gov/ProvGovPart/rfa_rfp/Pages/OMCPHomePage.aspx) for any administrative bulletins and/or addenda updates to the RFP.

A Proposer may also call OMCP at (916) 552-8006 to request any administrative bulletins and/or RFP addenda updates to the RFP.

### 4. Submitting a Request for Inclusion on Mailing List

Submit the Request for Inclusion on Mailing List form using one of the methods described in paragraph H.2 above.

### 5. Proposer Warning

- a. DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the Letter of Intent is mailed, consider using certified or registered mail and request a receipt upon delivery.
- b. For hand deliveries, allow sufficient time to locate on street metered parking and to sign-in at the security desk. If detained at the security desk, ask security

personnel to call OMCP at (916) 552-8006 to arrange for Letter of Intent pickup and receipt issuance.

- c. Courier service personnel must sign-in at the security station and must ask security personnel to call OMCP at (916) 552-8006 to have appropriate staff collect the Letter of Intent request and to issue a receipt.

For driving and parking instructions, please review Appendix 1.

## **I. Scope of Work (SOW) Requirements**

See Exhibit A (and Attachments) entitled, “SOW Requirements” that is included in the Sample Contract Forms and Exhibits section of this RFP. Exhibit A (and Attachments) contains a detailed description of the services and work to be performed as a result of this procurement.

## **J. Qualification Requirements**

Failure to meet the following requirements by the Proposal submission deadline will be grounds for DHCS to deem a Proposer nonresponsive. Evaluators may choose not to thoroughly review or score Proposals that fail to meet these requirements. If the Proposer is a subsidiary of another business entity and the Proposal relies in part on the business experience of the entity, these requirements of the RFP shall apply to the other business entity as well. A Proposer may demonstrate the requisite qualifications through the combined qualifications of the Proposer and its subcontractors (including consultants) qualifications. The subcontractor(s) and consultant(s) are responsible for meeting the overall requirements of the RFP along with the requirements for each of those areas of responsibility. In submitting a Proposal, each Proposer must certify and prove that it possesses the following qualification requirements.

1. At least three (3) consecutive years of experience of the type(s) listed below. All experience must have occurred within the past five (5) years from the date of release of this RFP. It is possible to attain the experience types listed below during the same time period. Proposers must have the following experience:
  - a. Medicaid and/or other healthcare program’s claims system.
    - 1) Describe experience and knowledge that qualifies the proposer to undertake this project. At a minimum, demonstrate the proposer possesses:
      - a) Experience and knowledge in the Takeover and Operation of an existing MMIS or other healthcare program’s claims system. Proposer must demonstrate that this experience and knowledge can be scaled to accommodate the size and complexity of the current CA-MMIS.
      - b) Experience and knowledge in the Design, Development and Implementation (DDI) of complex claims administrations systems for Medicaid or other healthcare program’s claims system. Proposer must demonstrate that this experience and knowledge can be scaled to accommodate the size and complexity of the current CA-MMIS.

2. Proposers must certify they have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, “Contract Terms and Conditions”, including the terms appearing in the referenced Contract exhibits.
3. **[Corporations]** Corporations must certify they are in good standing and qualified to conduct business in California. If the Proposer is a Corporation, submit **either** a copy of the proposing firm’s most current Certificate of Status issued by State of California, Office of the Secretary of State **or** submit a downloaded copy of the proposing firm’s on-line status information from the California Business Portal website of California’s Office of the Secretary of State. Include an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of the proposing firm’s Bylaws or Articles of Incorporation.
4. **[Nonprofit Organizations]** Non-profit organizations must certify their eligibility to claim nonprofit status.
5. Proposers must have a past record of sound business integrity and a history of being responsive to past Contractual obligations.
6. Proposers must certify they are financially stable, solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from DHCS. If the Proposer is a subsidiary of a corporation, the corporation must provide financial guaranty executed by a dually authorized officer of that corporation.
7. Proposers must certify their Proposal response is not in violation of Public Contract Code (PCC) Section 10365.5 and, if applicable, must identify previous consultant services Contracts that are related in any manner to the services, goods, or supplies being acquired in this solicitation. Detailed requirements are outlined in Attachment 8.
  - a. PCC Section 10365.5 generally prohibits a person, firm, or subsidiary thereof that has been awarded a consulting services Contract from submitting a bid for and/or being awarded an agreement for, the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of a consulting services Contract.
  - b. PCC Section 10365.5 does not apply to any person, firm, or subsidiary thereof that is awarded a subcontract of a consulting services agreement that totals no more than 10 percent of the total monetary value of the consulting services agreement. Consultants and employees of a firm that provides consulting advice under an original consulting Contract are not prohibited from providing services as employees of another firm on a follow-on Contract, unless the persons are named Contracting parties or named parties in a subcontract of the original Contract.
  - c. PCC Section 10365.5 does not distinguish between intentional, negligent, and/or inadvertent violations. A violation could result in disqualification from bidding, a void Contract, and/or imposition of criminal penalties.

8. Proposers must either achieve actual Disabled Veteran Business Enterprise (DVBE) participation or make an adequate Good Faith Effort (GFE) to meet the DVBE participation requirements. Detailed requirements are outlined in Attachment 9 (DVBE Instructions/Forms). This requirement applies if the total cost or price offered equals \$10,000 or more.

DVBE Incentives will be applied according to the instructions in Section S.4., DVBE Incentive.

9. The winning Proposer must supply, before Contract execution, proof of liability insurance that meets the requirements Exhibit E, Provision 34.
10. Proposers must certify and submit proof that no prohibited conflict of interest exists. Detailed requirements are outlined in Attachment 15 Conflict of Interest Compliance Certificate.

**K. Proposal Format and Content Requirements for Demonstration of Claims Operations System Processing Runs**

**1. General Instructions**

- a. Please submit three (3) separate, sealed packages for the following parts of your Proposal:
  - 1) Narrative Technical Proposal (format and content requirements are described in Section L). The Demonstration of Claims Operations System Processing Runs must be packaged separately but included with this packet;
  - 2) Cost Proposal Transmittal Letter
  - 3) Cost Proposal (format and content requirements are described in Section M).
- b. Each firm or individual may submit only one (1) Proposal.

For the purposes of this paragraph, “firm” includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one (1) Proposal, DHCS will reject all Proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime Contractor may be named as a subcontractor in another Proposer’s Proposal. Similarly, more than one Proposer may use the same subcontractors and/or consultants.

- c. Develop Proposals by following all RFP instructions and/or clarifications issued by DHCS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- d. Before submitting a Proposal, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood.



- e. In preparing a Proposal response, all narrative technical portions should be straightforward, detailed and precise. DHCS will determine the responsiveness of a Proposal by its quality, not its volume, packaging or colored displays.
- f. Arrange for the timely delivery of the Proposal package(s) to the address specified in this RFP. Do not wait until shortly before the deadline to submit the Proposal.

## **2. Format Requirements for Demonstration of Claims Operation (DCO) Processing Runs**

Assemble the DCO System Processing Runs Proposal as follows:

Submit one (1) original Proposal and fifteen (15) copies or sets and five (5) CD-ROM copies of any hard copy materials in any DHCS standard platform i.e., Word, Excel, or PDF formats. The CD-ROM's must be identical to, and contain everything included in, the Proposal hard copy.

- a. Write “**Original**” on the original Proposal set.
- b. Each DCO Proposal set must be complete with everything included in the original Proposal set.
- c. DCO Proposals shall be submitted in full, bound sets under sealed cover, e.g., Proposal set 1 shall be packaged as a complete set rather than having all fifteen (15) copies of binder 1 packaged together.

Bind each DCO Proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.

### **2.1 Proposal Cover Page**

- a. All documentation that requires a signature must be signed in blue ink,
- b. Have a person who is authorized to bind the proposing firm sign the DCO Proposal Cover Page. If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.
- c. Signature stamps are not acceptable.
- d. Place the originally signed attachments in the DCO Proposal set marked “Original”.
- e. Documentation placed in the extra DCO Proposal sets may reflect photocopied signatures.

## 2.2 DCO System Processing Runs Transmittal Letter

- a. The DCO System Processing Runs Transmittal Letter shall be on the official business letterhead of the Proposer and shall be signed by an individual authorized to legally bind the Proposer. The letter shall include:
  - 1) Identification of all materials and enclosures being forwarded as a response to the RFP.
  - 2) The name, title, mailing address, email address, and telephone and fax numbers of a liaison person(s) whom DHCS may contact during the evaluation period.
- b. Do not mark any portion of the Proposal response, any RFP attachment, or other item of required documentation as “Confidential” or “Proprietary”. DHCS will disregard any language purporting to render all or portions of a Proposal confidential.

## 3. Content Requirements

DHCS is providing this additional information on edits and processing logic to enable better evaluation of actual resources needed to accurately bid for takeover operations of the Legacy System; replacement phasing estimating efforts; and replacement Design, Development, and Implementation (DDI) costing.

- a. All Proposers, including the incumbent will be required to demonstrate their ability to process the “Claims Processing Runs” provided by DHCS.
- b. DHCS will provide all the input necessary to run the three (3) separate job steps on encrypted backup tapes. The input will include the program object code, actual sysout for jobs from State run tests, parm's, sysin's, JCL, and input files for all job steps.
  - 1) The first (1<sup>st</sup>) job stream is the Daily Adjudication step “CDG0”;
  - 2) The second (2<sup>nd</sup>) job stream is the Weekly Adjudication step “CW01”;
  - 3) The third (3<sup>rd</sup>) job stream is Financial step “CWL0”.
- c. Proposers will be required to do the following:
  - 1) Process the selected job streams:
  - 2) Deliver evidence of the job timeframes and output produced including:
    - a) JES (or equivalent) output from the jobs showing completion codes and runtimes:
    - b) Counts of records processed included on the program sysout;

- c) Sysout record counts should be within a reasonable tolerance of DHCS produced sysout and any unreasonable discrepancy may require Proposers to rerun a test; and,
  - d) All computer generated sysout shall be included on a separate DVD with Proposer submissions.
- 3) This deliverable is a required part of the documentation to be submitted as part of the Proposal and is to be included in a separate sealed package (as described above) and labeled “Demonstration of Claims Operation System Processing Runs”.
- d. All instructions on how to perform this deliverable are included in the data library. In formulating the final instructions and submission criteria for evaluation, DHCS will utilize one (1) of the State data centers to run the three (3) separate job stream steps.
  - e. Each prospective Proposer will be required to provide its own resources to execute the jobs on its own respective equipment. DHCS will provide the necessary information/data to all prospective Proposers planning on submitting a Proposal.
  - f. Detailed documentation of the jobs, JCL, and source code can be found in the Data Library. Flowcharts are found in the SharePoint Data Library in the following location: CA-MMIS Manuals\General Systems Design Manual\CA-MMIS Flowchart.

## **L. Proposal Format and Content Requirements for Narrative Technical Proposal**

### **1. General Instructions**

- a. Each firm or individual may submit only one (1) Proposal.
  - 1) For the purposes of this paragraph, “firm” includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one (1) Proposal, DHCS will reject all Proposals submitted by that firm or individual.
  - 2) A firm or individual proposing to act as a prime Contractor may be named as a subcontractor in another Proposer’s Proposal. Similarly, more than one (1) Proposer may use the same subcontractors and/or consultants.
- b. Develop Proposals by following all RFP instructions and/or clarifications issued by DHCS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- c. Before submitting a Proposal, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood. Any error in the Proposal based on a fact that was not clarified, becomes the sole responsibility of the Proposer.

- d. In preparing a Proposal response, all narrative technical portions should be straightforward, detailed and precise. DHCS will determine the responsiveness of a Proposal by its quality, not its volume, packaging or colored displays.
- e. Arrange for the timely delivery of the Proposal package(s) to the address specified in this RFP. Do not wait until shortly before the deadline to submit the Proposal.

## 2. Format Requirements

- a. Assemble the Narrative Technical Proposal as follows:

- 1) Submit one (1) original Proposal and fifteen (15) copies or sets and five (5) CD-ROM copies of the Proposal in any DHCS standard platform i.e., Word, Excel, or PDF formats. The CD-ROM copies must be identical to, and contain everything included in, the Proposal hard copy.
- 2) Write “**Original**” on the original Proposal set.
- 3) Each Proposal set must be complete with a copy of all required attachments and documentation.
- 4) Proposals shall be submitted in full, bound sets under sealed cover, e.g., Proposal set 1 shall be packaged as a complete set rather than having all fifteen (15) copies of binder 1 packaged together.
- 5) Each box must be identified as follows:

NARRATIVE TECHNICAL PROPOSAL  
CAMMIS-FI  
RFP# 08-85022  
Original Set (or Set 1 of 15, Set 2 of 15, etc.)  
Box 1 of X (number of boxes needed for each set), etc.

- b. Format the Narrative Technical portions of the Proposal as follows:

- 1) Use one (1) inch margins at the top, bottom, and both sides.
- 2) Use a font size of not less than 11 point. Charts, graphs and other documents may use a smaller font size but it must be readable.
- 3) Print pages single-sided on white bond paper
- 4) Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.
- 5) Bind each Proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.
- 6) All RFP attachments that require a signature must be signed in blue ink.

- a) Have a person who is authorized to bind the proposing firm sign each RFP attachment that requires a signature. Signature stamps are not acceptable.
  - b) Place the originally signed attachments in the Proposal set marked "Original".
  - c) The RFP attachments and other documentation placed in the extra Proposal sets may reflect photocopied signatures.
- 7) Do not mark any portion of the Proposal response, any RFP attachment, or other item of required documentation as "Confidential" or "Proprietary". DHCS will disregard any language purporting to render all or portions of a Proposal confidential.

### 3. Content Requirements

This section specifies the order and content of each Proposal. Each Proposal must include the 16 TABs listed below and address the nine (9) distinct periods or functions of the Contract (TABs 6-14) as described in Exhibit A, SOW Requirements. Assemble the materials in each Proposal set as follows:

<b>TAB 1</b>	<b>Proposal Cover Page</b>
<b>TAB 2</b>	<b>Narrative Technical Proposal Transmittal Letter</b>
<b>TAB 3</b>	<b>Table of Contents</b>
<b>TAB 4</b>	<b>A. General Proposal Requirements</b> <ul style="list-style-type: none"> <li>1. Executive Summary Section</li> <li>2. Proposer Capability Section</li> <li>3. Financial Stability Management</li> </ul>
<b>TAB 5</b>	<b>B. Overall Project Management Plan and Narrative Technical Project Management Plan</b> <ul style="list-style-type: none"> <li>1. Overall Project Management Plan</li> <li>2. Narrative Technical Project Management Plan</li> </ul>
<b>TAB 6</b>	<b>C. Legacy System Takeover</b> <ul style="list-style-type: none"> <li>1. Management Plan</li> <li>2. Project Personnel</li> <li>3. Facilities and Resources</li> <li>4. Detailed Project Schedule</li> <li>5. Approach to Takeover</li> <li>6. Testing and Assumption of Operations</li> </ul>
<b>TAB 7</b>	<b>D. Legacy System Operations</b> <ul style="list-style-type: none"> <li>1. Management Plan</li> <li>2. Project Personnel</li> <li>3. Facilities and Resources</li> <li>4. Claims and Encounters</li> <li>5. Utilization Management and Treatment Authorization Request (TAR) Processing</li> <li>6. Reporting and Data Management</li> <li>7. Data Processing and Documentation</li> <li>8. Provider and Beneficiary Services</li> <li>9. Financial Accounting and Recoveries</li> </ul>

- TAB 8 E. Legacy System – Expansion Items/Systems Group**
1. Contract Management
  2. Enterprise Project Management Office (EPMO)
  3. Project and Portfolio Management
  4. All Other Expansion Items
  5. Systems Group
- TAB 9 F. Legacy Operations – Systems Enhancements**
1. Business Rules Extraction
  2. Managed Care
  3. Health Information Exchange / Health Information Technologies (HIE/HIT)
  4. Serious Emotional Disturbances (SED) Prescription Drugs for Healthy Families Children
  5. Enhanced Primary Care Case Management (EPCCM)
  6. Modification to HIPAA Standards for Electronic Transactions
  7. Replacement of HIPPA code set ICD-9 with code set ICD-10
  8. Claims Attachment (X12 275)
- TAB 10 G. Planning and DDI for Replacement System**
1. Management Plan
  2. Project Personnel
  3. Facilities and Resources
  4. Detailed Project Schedule / DDI Plans
  5. Federal Centers for Medicare and Medicaid Services (CMS) Certification
  6. Architecture (SOA/MITA)
  7. System Security and Privacy
  8. Environments
  9. Business Continuity / Operational Recovery
  10. Data Support Tools
  11. Case Management Tools
  12. Rules Execution
  13. Workflow Management
  14. Electronic Document Management System (EDMS)
  15. Master Test Plan, Construction and Unit Testing
  16. System Testing
  17. User Acceptance Testing (UAT)
  18. Operations Readiness Review
  19. Parallel Testing
  20. System Design
  21. Gap Analysis and Requirement Validation
  22. Data Conversion
  23. Implementation
- TAB 11 H. Transition from Legacy to Replacement**
1. Management Plan
  2. Project Personnel
  3. Detail Project Schedule
  4. MITA Migration Plan
  5. Training / Cultural Change Management
  6. Replacement System Training
  7. Business Transition – Legacy to Replacement
- TAB 12 I. Replacement System Operations**

	1.	Management Plan
	2.	Project Personnel
	3.	Facilities and Resources
	4.	Quality Management
	5.	Change Management /EPMO
	6.	Beneficiary-Member Support
	7.	Training/Ongoing
	8.	Data Management Support / SURS
	9.	Provider Support / Provider Relations Operations
	10.	Benefits Administration
	11.	Claims Adjudication
	12.	Pharmacy Administration
	13.	Financial
	14.	Third Party Liability (TPL)
	15.	State Controller Office (SCO) Interface
	16.	Service and Treatment Authorization Request (SAR/TAR)
	17.	System Maintenance and Modification
<b>TAB 13</b>	<b>J.</b>	<b>Optional Contractual Services (OCS)</b>
	1.	Mandatory Legacy OCS
	2.	First (1 <sup>st</sup> ) Legacy OCS
	3.	Second (2 <sup>nd</sup> ) Legacy OCS
	4.	First (1 <sup>st</sup> ) Replacement OCS
	5.	Second (2 <sup>nd</sup> ) Replacement OCS
<b>TAB 14</b>	<b>K.</b>	<b>Turnover</b>
	1.	Management Plan
	2.	Project Personnel
	3.	Facilities and Resources
	4.	Detail Project Schedule
<b>TAB 15</b>		<b>Appendix Section</b>
<b>TAB 16</b>		<b>Forms Section</b>

**a. Tab 1 – Proposal Cover Page**

A person authorized to bind the Proposer must sign the Proposal Cover Page (Attachment 1). If the Proposer is a corporation, a person authorized by the Board of Directors to sign on behalf of the Board must sign the Proposal Cover Page.

**b. Tab 2 – Narrative Technical Proposal Transmittal Letter**

The Narrative Technical Proposal Transmittal Letter shall be on the official business letterhead of a Proposer and shall be signed by an individual authorized to legally bind the Proposer. The letter shall include:

- 1) Identification of all materials and enclosures being forwarded as a response to the RFP.
- 2) The name, title, mailing address, email address, and telephone and fax numbers of a liaison person(s) whom DHCS may contact during the evaluation period.

- 3) A statement indicating the legal form of the Proposer.
- 4) A statement indicating how the Proposer meets the prior experience and demonstrated ability requirements identified in the Qualification Requirements Section, RFP Section J.1. If these requirements are to be met using a subcontractor (including a consultant), a Subcontractor / Consultant Letter of Agreement (see RFP Section L., Tab 15, item 7 from each subcontractor must be appended to the transmittal letter.)
- 5) A statement by the Proposer that any subcontract relationships submitted in the Proposal shall not be changed during the procurement process or during the life of the Contract without prior written permission from DHCS.
- 6) A statement that neither cost nor pricing information is included in this letter or the Narrative Technical Proposal.
- 7) A statement indicating that the Proposer has no affiliates (see the definition of affiliates in Exhibit K. Glossary of Terms), or if the Proposer has affiliates, provide a statement containing the following information:
  - a) The name and address of all affiliates of the Proposer.
  - b) The names and addresses of all person and concerns exercising control or ownership of the Proposer and any or all of its affiliates, and whether they exercise such control or ownership as common officers, directors, stockholders holding controlling interest, or otherwise.
- 8) A statement that the Proposal is complete as submitted.
- 9) A statement acknowledging that all costs associated with the development and submission of a Proposal in response to this RFP are entirely the responsibility of the Proposer and will not be chargeable to the State of California or included in any cost elements of the Proposal.

**c. Tab 3 - Table of Contents**

Properly identify each section and the contents therein. Paginate all items in each section with the exception of those items placed in the Forms Section and Appendix Section.

**d. Tab 4 - General Proposal Requirements**

**1) Executive Summary Section**

This section must not exceed ten (10) pages in length. Evaluators may not review or evaluate excess pages.

In preparing the Executive Summary, do not simply restate or paraphrase information in this RFP. Describe or demonstrate, in the Proposer's own words, the following information.



- a) An understanding of DHCS' needs and the importance of this project.
- b) The tangible results that are expected to be achieved.
- c) A sincere commitment to perform all of the SOW Requirements in an efficient and timely manner.
- d) How this project will be effectively integrated into the proposing firm's current obligations and existing workload.
- e) A brief summary of the Claims Processing run and the firms past experience working with mainframe operations.
- f) Why the proposing firm should be chosen to undertake this work at this time.

## **2) Proposer Capability Section**

- a) Include a brief history of the proposing firm, including:
  - i. Date of establishment. If applicable, explain any changes in business history (i.e., name change, ownership, partnership arrangements, etc.) or organizational structure that will assist DHCS in determining the qualifications of the proposing firm.
  - ii. A description of the proposing firm's goals that are relevant, closely related, or will complement this project.
  - iii. Indicate any relevant past experience with Medicaid, Medicare, and/or other health payers.
- b) Describe recent experience that qualifies the proposing firm to undertake this project. At a minimum, demonstrate the proposing firm possesses current experience of the types listed in this section. Proposers must have experience or knowledge in the following areas:
  - i. Extensive recent experience in the Takeover and Operation of an existing MMIS, or other comparable operation in a state or other health program;
  - ii. Extensive recent experience in the DDI of complex claims administrations systems for Medicaid or other health program.
- c) Briefly, describe the accounts or work projects begun and/or completed in the past three (3) years that involved services similar in nature or closely related to the SOW Requirements in this RFP. For each account or project listed, include the following information:
  - i. Name of agency or firm for whom services were performed,
  - ii. Duration or length of the project,
  - iii. Total cost or value of the project,

- iv. Indicate if the account or project is “active/open” or “closed/settled”,
  - v. Describe briefly the type and nature of the services performed.
- d) Briefly describe any experience that demonstrates the proposing firm's ability to establish and maintain effective working relationships with government entities, local community based organizations, and private nonprofit organizations.
- e) Identify three (3) client references in each of the following skill areas that have been serviced in the past five (5) years that can confirm their satisfaction with the services and confirm if the services were provided timely and effectively. References can apply to Proposers entire team, including the prime contractor and any subcontractor, for the purpose of meeting the requirements.
- i. Takeover of a comparable complex claims administration operation;
  - ii. Operation of an existing claims administration system;
  - iii. Design, development & implementation of a new system for claims administration.

Use the Client References form (Attachment 4) for this purpose. Place the completed Client References form in the Forms Section of the Proposal.

DHCS will contact your references as part of this evaluation. Please be sure your point of contact information for the references are current and the references are prepared to confirm the information provided. DHCS may also contact other individuals of the client that may have knowledge of the services provided.

### 3) Financial Stability Management

In order to safeguard the interest of the State and in order to insure that a Proposer has the financial wherewithal to conduct this Contract, the Proposer shall supply the following information, as appropriate:

Proposers shall submit a Financial Stability Plan incorporating the following data discussed in items A through C, below, for the past two (2) corporate fiscal years of the Proposer and the interim period from the end of the last full fiscal year up to and including the date specified for submission of Narrative Technical Proposals.

If the Proposer is a subsidiary of any other legal entity and the financial resources of the Parent Corporation are required to qualify the subsidiary for competition under this procurement, the financial stability submission requirements for this section shall apply to the Parent Corporation.

- a) **Audited statements are preferred, but not required.** DHCS will accept financial statements prepared by your financial accounting department, accounting firm or an auditing firm. DHCS will accept financial

statements audited according to either Generally Accepted Accounting Principles (GAAP) or Statutory Accounting Principles (SAP) of the National Association of Insurance Commissioners (NAIC). A statement signed by your Chief Executive Officer or Chief Financial Officer certifying that the financial statements are accurate and complete must accompany all financial statements. Un-audited financial statements may not be used to qualify under Section b.i. below.

- i. Proposer's annual financial statements for the last two (2) fiscal years, accompanied by an independent certified public accountant's report, certificate or Opinion Statement.
- ii. Public interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of proposals. The State does not require submittal of interim statements for the last two (2) fiscal years for which annual reports are submitted.
- iii. A projected pro forma financial statement and statement of changes in financial position for the next three (3) years predicted upon operation without the award of this Contract
- iv. A detailed financial plan and proposed cash flow budget demonstrating the availability and source of sufficient funds to cover the Proposer's projected operation cost without risk of insolvency should the Proposer be selected to provide the contractual services under the contract period.
- v. All financial data submitted in the Financial Stability Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer's or parent corporation's Chief Executive Officer and Chief Financial Officer or Representative, certifying that the data is current, accurate and complete.
- vi. Proposers must include an organization history of claims of bankruptcy, receivership, questioned cost, repayment of funds, failure to fulfill contract and criminal or civil legal actions that name the organization or administrative/supervisory staff that have occurred during the past five (5) years. If you supply audited financial statements, all noted audit exceptions must be explained.

b) Certification

All financial data submitted in the Financial Stability Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer or parent corporation(s) Chief Executive Officer or Chief Financial Officer or designee certifying that the data is current, accurate, and complete.

- i. In lieu of the above Section, Proposers may provide the following:
  - A. Proposers two (2) most recent annual certified financial statements accompanied by an independent certified public accountant's Unqualified Audit Report or Opinion Statement (Unqualified/Clean Opinion); and
  - B. An organization history of claims of bankruptcy, receivership, questioned cost, repayment of funds, failure to fulfill contract and criminal or civil legal actions that name the organization or administrative/supervisory staff that have occurred during the past five (5) years. Any noted audit exceptions of the audited financial statements must be explained.
  - C. Either
    - 1. Evidence of capital contributions and retained earnings equal to an amount greater than \$100,000,000 (one hundred million dollars), as identified in the annual financial statements.

Or

  - 2. Evidence of assets under control greater than \$250,000,000 (two hundred fifty million dollars), as identified in the annual financial statements.

c) Guaranty Provisions

If the Proposer is a subsidiary of another entity, the Proposer must submit a guaranty from any entity in the Proposer's chain of ownership that is publicly traded. If no such parent entity is publicly traded, the guaranty shall be submitted by a parent entity at a level in the chain of ownership that is acceptable to DHCS. The guaranty shall meet all the requirements specified in Exhibit E, Section 31, be in a form satisfactory to DHCS, and provide for the full and prompt performance of all covenants, terms and conditions, and agreements throughout the life of the Contract.

**e. Tab 5 - Overall Project Plan and Narrative Technical Project Plan**

DHCS is interested in Proposals that provide well-organized, comprehensive, and technically sound business solutions. Vague explanations will undermine the proposing firm's credibility and will result in reduced Proposal scores.

**1) Overall Project Management Plan**

- a) Overview of Overall Management Project Plan
  - i. The Overall Project Plan must be developed in a standardized Project Plan format (such as Microsoft Project) and must include the step-by-step actions that will be carried out to fulfill all of the SOW

Requirements for the project (refer to Exhibit A, Attachments I through VI for SOW Requirements).

- ii. The Overall Project Plan will facilitate tracking of project phases and the key stages, activities and tasks required to fulfill the requirements of this RFP. The Overall Project Plan will incorporate all periods of the project, and task levels should be identified at a quarterly level (3 months).
- iii. If the nature of a task or function hinders specific delineation of methods and procedures (e.g., a task is dependent upon a future action or multiple approaches may be used), explain the probable methods, approaches, or procedures that will be used to accomplish the task or function. Also, describe, in this instance, how the proposing firm will propose the ultimate strategies and detailed plans to DHCS for full consideration and approval before proceeding to carry out the task.

b) Overall Project Plan Content

The Proposer must include:

- i. A preliminary proposed project plan in electronic form using a standardized project plan schedule format (such as Microsoft Project). The requirements for a Project Plan are detailed in Exhibit E the overall plan must demonstrate that the Proposer understands the State's timeline for all contract phases.
- ii. An overall timeline to support the periods identified in this RFP. Activities, tasks, milestones, deliverables and task dependencies and resources for delivering the proposed solution should be included. If, for any reason, the Project Plan does not address each of the SOW Requirements, the Proposer must fully explain each omission.
- iii. Task levels for the Overall Project Plan Schedule should be presented at a quarterly level.

**2) Narrative Technical Project Management Plan**

a) Overall Narrative Technical Project Management Plan Content

For the Narrative Technical Project Management Plan, the Proposer shall describe how it plans to manage the Contract to ensure Contract requirements are met and performance is successful. The Narrative Technical Project Management Plan shall be written in a manner understandable to the layperson. DHCS does not desire a repeat of the RFP requirements. Rather, DHCS wants a description of how the Proposer will manage the Contract requirements that ensures performance.

The Narrative Technical Project Management Plan shall be organized in the following manner:

i. Work to be Performed

This section shall include an overview of the Proposer's understanding of work to be performed within each specific period of the project.

ii. Interrelationships and Functional Dependencies

This section shall be a discussion of the interrelations and functional dependencies that the Project Management Plan and Work Project Schedules may have with SOW Requirements across all periods of the project.

iii. Changes Required to Accomplish Contract Requirements

This section shall be a discussion of the changes to the current operations and processes that the Proposer believes to be necessary for them to change to be able to satisfy the SOW Requirements. If there are none then state "No Change".

iv. Impact(s) of the Project Management Plan

This section shall be a discussion of the impact the Project Management Plan activities will have on DHCS, beneficiaries, potential enrollees, providers and other interested parties.

v. Any Other Special Considerations (Innovative Approaches).

This section shall contain a discussion of any special considerations that the Proposer believes is important in accomplishing the SOW Requirements.

vi. Project Plan Exhibits

This area shall include flow charts or graphical material that will facilitate readability and evaluator understanding of the proposed plan.

A. Rejection of Tasks, Activities or Functions

If full funding does not become available, is reduced, or DHCS determines that it does not need all of the services described in this RFP; DHCS reserves the right to offer an amended Contract for reduced services.

**B. Submission Requirements for Each Contract Period**

The Proposal content requirements as described above are specific to General Requirements (Tab 4) and the Overall Project Plan and Narrative Technical Project Plan (Tab 5).

Proposal content requirements for Tabs 6 through 14 will be organized into nine (9) individual periods. Proposers shall describe in detail the Proposer's activities for the each of the nine (9) Contract periods:

1. Legacy System Takeover
2. Legacy System Operations
3. Legacy System – Expansion Items
4. Legacy Operation – System Enhancements
5. Planning and DDI for Replacement System Plans
6. Transition from Legacy to Replacement Plans
7. Replacement System Operations
8. Optional Contractual Services
9. Turnover

The Proposal content requirements for each of these nine (9) Contract periods will be described below.

**f. Tab 6 - Legacy System Takeover: Submission Requirements**

Requirements for the Legacy System Takeover are described in Exhibit A, Attachment I and Exhibit E.

In Tab 6, the Proposer must describe in detail the Proposer's activities for the duration of the Takeover of the Legacy System. The Proposer must organize its responses into the following sections and must fully address all scope of requirements for Legacy System Takeover:

**1) Management Plan**

Using the Requirements from Exhibit A, Attachment I and the instructions for the Project Plans from Exhibit E, Provision 52, provide a comprehensive Management Plan with all key Requirements described in Exhibit A, Attachment I, All Project Management Plans shall conform to IEEE Standards # 1058-1998.

The Management Plan must include all Plans relevant to the phase under discussion. At a minimum it must contain the Integration Management Plan (including the Change Management Plan and Issue Management Plan), Scope Management Plan, Time Management Plan, Cost Management Plan, Quality Management Plan, Communication Management Plan, and the Risk Management Plan. The Risk Management Plan should include a list of the known risk associated with the contract phase and the proposed plans to mitigate the risks. Under PMBOK, The Human Resources Plan is considered a component of the Project Management Plan. For purposes of the proposal

submission and evaluation requirements, Proposers may submit the Human Resources Plan under either the Project Management Plan heading or the Project Personnel heading, and reference the other heading. The instruction that follow should be used for every Management Plan requirement.

a) The Change Control Management Plan

The Contractor shall develop, deliver, maintain, and execute a Change Control Management Plan that defines a Change Management Process for issue resolutions that propose a change to the project scope, schedule, cost, or a configured item.

The Contractor Change Management Process shall support the DHCS Change Control Management Plan, which includes, but is not limited to, the following:

- i. The Contractor shall identify issues that require a change to the project scope, schedule, cost, or a configured item. The Contractor shall submit these issues with proposed changes and supporting documentation for potential DHCS Contracting Officer approval to implement through the Project Change Management Board in accordance with the Change Control Management Plan.
- ii. The Contractor shall update the issue resolution documentation to reflect Project Change Management Board decisions.
- iii. If the issue results in a proposed change to the project scope or a configured item is approved for implementation by the Project Change Management Board, the Contractor shall conduct additional analysis and document the results in a Service Request. If the change affects the System, the Contractor shall prepare a System Service Request. If a Service Request is approved by the Project Change Management Board, the Contractor shall use the appropriate sub-processes to implement changes depending on the type of change.
- iv. Contracts Scope Changes. If a change is approved by the Project Change Management Board that requires a change to the Contracts scope, the State shall initiate a Change Order in accordance with the Exhibit E, Section 12.
- v. The Contractor shall record the finish dates of the final results of changes in the issue resolution documentation.

b) The Issue Management Plan

The Contractor shall develop, deliver, maintain, and execute an Issue Management Plan that defines the issue identification and resolution process. The Contractor shall manage project issues in accordance with the Issue Management Plan. The Issue Management Process shall include the following:



- i. Methods and techniques to identify, document, resolve track and report issues.
- ii. Methods to capture issues from the Contractor and stakeholders, including the CA-MMIS users, DHCS Project Office staff and interface agencies.
- iii. Methods to communicate issue progress and resolutions to issue initiators and DHCS Project Office staff.
- iv. The type of staff necessary to identify and assign issues.
- v. Identification of support teams or groups that handle issue analysis and resolution, as well as installation of the resolution.
- vi. System resources and tools necessary to carry out documentation and analysis of the issue.

The Contractor's Issue Management Process shall be a closed-loop process as defined in IEEE 12207-2008, Problem Resolution Process. Issue Management shall be conducted in conjunction with other processes as appropriate.

The Contractor shall report status on issues in the Monthly Project Status Report and at weekly project status meetings. The Contractor shall report Issue Management Metrics that include:

- A. Number of issues opened, closed, and pending in reporting period by category, priority, and severity;
  - B. Cumulative number of issues open and closed by category, priority, and severity;
  - C. Issues by category, priority, and severity overdue by thirty (30) days, sixty (60) days, ninety (90) days, and over ninety (90) days;
  - D. Number of issues by category, severity, and status; and,
  - E. Aging analysis of issues by category and severity.
- c) The Scope Management Plan shall describe the project activities planned and managed using a Master Project Schedule based on a Work Breakdown Structure. This is described below under Number 4 - Detailed Project Plan.
  - d) The Time Management Plan shall include the schedule management plan and the project schedule. Each Project Schedule must indicate:
    - i. Activity sequences
    - ii. Dependencies

- iii. Durations
  - iv. Resource required and assignments
  - v. Schedule constraints
  - vi. Title and Contract number
  - vii. Start date
  - viii. Implementation date
  - ix. Milestones
  - x. Phase completion dates and corresponding hours
  - xi. Predecessor and successor activities
  - xii. Internal training
  - xiii. CA-MMIS stakeholder education
  - xiv. Contingency plan
- e) A Cost Management Plan that describes the fiscal accounting processes and budgetary controls that will be employed to ensure the responsible use and management of Contract funds and accurate invoicing. Include at a minimum, a brief description of all of the following:
- i. How the costs incurred under this project will be appropriately accounted for and only applicable project expenses will be billed to DHCS (e.g., use of unique account/project codes, etc.).
  - ii. The proposing firm's fiscal reporting and monitoring capabilities (e.g., spread sheets, automated fiscal reports, quality controls, checks and balances, etc.) to ensure Contract funds are managed responsibly.
  - iii. Proposed billing or invoicing frequency (not more frequently than once per month). Electronic billing is not possible.
  - iv. Identify the documentation that will be retained on file or submitted to DHCS upon request to prove, support, and/or substantiate the expenses that are invoiced to DHCS.
  - v. Include financial statements. Instructions are explained in the Appendix Section. Place the financial statement in the Appendix Section of the Proposal.
- f) Quality Management Plan

Proposers must submit a draft Quality Management Plan (QM) as part of their response to this RFP. The QM Plan must describe a contract-wide quality management process that meets the requirements of CMMI Level 2 or ISO 9001:2000 as well as Exhibit A, Attachment I, Section A.19 and Exhibit A, Attachment II, Section JJ. The Contractor shall report quality management activities as part of the scheduled Progress Reports.

As part of the overall quality management process, the Contractor shall develop and execute a Quality Assurance process to verify and validate the Contracts' processes and work products. The Contractor shall make staff, resources, and work products available for Quality Assurance and IV&V audits and inspections.

The QA process shall be supported by a Quality Assurance (QA) Plan that meets or exceeds the requirements of IEEE 12207-2008, Quality Assurance Process and IEEE 730-2002, Standard for Software Quality Assurance Plans or better. The Quality Assurance Plan shall provide for the following:

- i. Include all items defined in IEEE 730-2002, Paragraph 4, Software Quality Assurance Plan.
- ii. Describe in detail the Contractor's approach to Quality Assurance, including the following:
- iii. Approach for defining quality standards and measurements for work products and deliverables
- iv. Approach for verifying and validating that the Project's work products and deliverables meet defined quality standards
- v. Method for resolving issues regarding work product and deliverable quality.

The Proposer must describe the materials and automated tools used to support the Quality Management process. Section JJ requires the Contractor to provide an automated tool to capture and display contractor performance metrics and work with the Department in defining and confirming all FI contract performance standards. The Contractor shall describe how the contract management tool will be used to support the Quality Management process.

Proposers must describe how the Contractor will work cooperatively with multiple agencies and project participants including State staff, County staff, subcontractors, and others. Describe the methods used to ensure that all work performed by the Contractor is monitored and measured against the technical requirements of the Contracts on an ongoing basis.

Proposers must describe how the Contractor supports the State's Quality Assurance, Independent Verification and Validation (IV&V), and Project

Oversight activities required by the OCIO Information Technology Project Oversight Framework.

g) Communication Management Plan

The Contractor shall develop, deliver, maintain and execute a Project Communication Plan, which ensures comprehensive and timely two-way communication between all DHCS stakeholders, users and interface partners. The Project Communication Plan shall provide a framework for Project information exchange both within and outside the Project and shall include the following:

- i. Identify general communication roles and responsibilities for the Contractor and stakeholders.
- ii. Identify formal communication requirements, including type of communication, frequency, audience, content, and media. These include routine communications such as status reports or briefings.

The DHCS has identified that effective communication with the Stakeholders, throughout the project but especially in the implementation phases, is critical to its success. The Contractor shall detail how such communication shall be achieved in the Project Communication Plan. As implementation activities progress the Contractor shall fully develop a detailed plan with mitigation strategies for any identified communications risks. Updates to the Project Communication Plan shall include mitigation strategies for concerns raised.

h) Risk Management Plan

The Contractor shall develop, deliver, maintain, and execute a detailed Risk Management Plan. The Contractor's risk management processes shall comply with IEEE 1540-2001, Standard for Software Life Cycle Processes-Risk Management and PMBOK, Third Edition, Chapter 11, Project Risk Management. The Contractor shall manage Project risk in accordance with the Risk Management Plan.

The Risk Management Plan shall identify methods and processes that DHCS or the Contractor can implement to mitigate the Risks.

The Contractor shall provide input into DHCS Risk Management Plan.

The Contractor shall use the Software Engineering Institute "Taxonomy Based Questionnaire" or similar risk identification aid in accordance with the OCIO Information Technology Project Oversight Framework.

The Contractor shall report changes to risks or risk related activities in the Monthly Project Status Report and weekly project status meeting.

i) Project Management Reviews

The Contractor shall support the DHCS Project Office Quarterly Project Management Reviews with relevant stakeholders, including senior managers and control agency representatives identified by the State Contracting Officer. The Contractor shall provide information for each review to evaluate Project Status, including the following:

- i. Project Executive Status Summary Table inclusive of:
  - A. A single overall indicator of project schedule status,
  - B. A single overall indicator of project cost status,
  - C. A single overall indicator of project risk,
  - D. A single overall indicator of project quality.
- ii. Project schedule summary showing if activities are progressing according to plan, based on an evaluation of the activity or software product status.
- iii. Resource allocation summary showing that the project is adequately funded, staffed, and equipped.
- iv. Identification of the significant risks and issues that may jeopardize the project and/or need to be elevated to senior management or control agencies for resolution.
- v. Presentation of project metrics including, but not limited to, the following:
  - A. Cost Variance, if any, with reasons for the variances. If the variance is negative, the Contractor shall explain how the situation shall be rectified.
  - B. Schedule Variance, if any, with reasons for the variances. If the variance is negative, the Contractor shall explain how the situation shall be rectified.
  - C. Estimate at completion metric for the overall project and current project phases, and indication whether it has changed from previous estimates.

## **2) Project Personnel**

Requirements are described in Exhibit A, Attachment I, Section A.7 and A.9, Exhibit E, Provision 52 and Exhibit J. The Human Resource Management Plan and accompanying Staffing Plan should demonstrate how the Proposer will staff for both the operational functions of the Contract and the development work required to complete the system aspect of the contract phase.

This must include the Proposer's plan to obtain skilled resources (hire, train, transfer) and how they plan to retain those resources to ensure that the State has the best resources possible support the CA-MMIS operations. The requirements that follow should be used for every Project Personnel Plan requirement.

The Project Staffing Plan shall identify the Contractor's staff resources necessary to meet the needs of the Project, including total number of Full-Time Equivalent (FTE) staff in the various positions proposed as well as expected roles, job classification designations, responsibilities, tasking, start dates and end dates for each position. A matrix of major work activities and supporting processes versus organizational units may be used to depict Project roles and responsibilities. The plan shall also include any assumptions used for effort and staff estimating.

The Project Staffing Plan shall also describe how staff shall be organized and managed in accordance with PMBOK, Third Edition, 9.1.3, Paragraph 3, Staffing Management Plan. This section shall include an organization chart that shows all Contractor staff positions, task assignments, and the proposed lines of authority and communication within the Contractor's team. In addressing this area, the Contractor shall identify the corporate officer(s) to be contacted in the event that major problems arise during the performance of the Contracts. It shall also describe how the Contractor's team shall interact with State personnel.

The Project Staffing Plan shall include estimates for the effort required for State Subject Matter Experts (SME) to support the requirements definition, joint design sessions, planning data cleanup, planning data conversion, planning site preparation, testing, training material development and implementation planning for DDI and M&O phases. The Contractor shall identify the subject matter expertise required and estimate the effort in hours for each of these tasks. The Contractor shall also provide a grand total for estimated hours for the Contractor and State staff for the DDI and M&O phases.

Describe the following as it relates to the Proposer's ability to perform the SOW Requirements for the Legacy System Takeover Period.

Describe the proposed staffing plan. In the staffing plan, include at a minimum:

- a) Position titles for all proposed employees (persons on the proposing firm's payroll)
- b) Number of personnel in each position.

By position, indicate the FTE or percentage of staff time devoted to this project (e.g., full time = 1.0, 1/2 time = .50, 3/4 time = .75, 1/4 time = .25, projected number of hours, if hourly, etc.).

- c) Include a job description or duty statement for each position title or classification that will perform work under this project. The job descriptions must indicate the typical tasks and responsibilities that will be assigned to the position and may include desired or required education and experience. Place all job descriptions or duty statements at the end of the Project Personnel Section.
- d) Identify by name and/or position title, each senior management staff as identified in Exhibit J that will have primary responsibility for managing, directing, overseeing and/or coordinating the work of assigned staff, subcontractors and/or consultants and who will maintain effective communications with DHCS.
  - i. Briefly, describe each person's expertise, capabilities, and credentials.
  - ii. Emphasize any relevant past experience in directing, overseeing, coordinating, or managing other government or health care projects.
- e) Include a one to two (1-2) page representative resume for each key staff person as identified in Exhibit J (professional, managerial or supervisory) that will exercise a major administrative, policy, or consulting role in carrying out the project work. Place staff resumes in the Appendix Section. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- f) Briefly, describe the administrative policies or procedures that will be used to ensure that the proposing firm will recruit and select well-qualified, competent, and experienced in-house staff, subcontractors and/or consultants.
  - i. If employee recruitment/selection policies or procedures are present in an operations manual, Proposers may cite excerpts from such manuals. Do not simply indicate that such policies exist and do not attach copies of any policies or manuals to the Proposal. If deemed necessary, DHCS may request copies of the Proposer's existing manuals or policies.
  - ii. Briefly, describe the processes or procedures that will be used to ensure that vacancies are filled expeditiously and that services are continued despite the presence of vacancies.
  - iii. If subcontractors (including consultants) will be used to perform Contract services, Proposers must do the following at the time of Proposal submission:
- g) Indicate if the Proposer has pre-identified any firms/persons to perform the work or if the Proposer will recruit them later.

For each pre-identified subcontractor and consultant include:

- i. Full legal name.
- ii. A job description or duty statement that outlines the duties and functional responsibilities that will be assigned to the subcontracted firm or consultant.
- iii. A brief explanation as to why the subcontracted firm or consultant was chosen. Stress things such as applicable skills, knowledge, capabilities, past experience or accomplishments, availability, reasonableness of rates, notoriety in a field or specialty, etc.
- iv. A one to two (1-2) page resume for each pre-identified subcontractor, consultant and for each staff person assigned. Place all subcontractor and/or consultant resumes in the Appendix Section. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.
- v. A letter of agreement, signed by an official representative of each subcontracted firm or consultant, acknowledging their intended participation/availability and confirmation that they have read or been made aware of the terms and conditions of the proposed Contract. Place all subcontractor and/or consultant letters of agreement in the Appendix Section.

Specific subcontractor and/or consultant relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and consultants) shall not be changed during the procurement process or prior to Contract execution. The pre-identification of a subcontractor or consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the Contract award.

- h) For subcontractors and/or consultants that cannot be identified when the Proposal is submitted to DHCS or are to be determined after the Contract is executed, include:
  - i. An identification of the functions, activities, and responsibilities that will be assigned to each subcontractor and/or consultant.
  - ii. A description of the process that will be used to obtain DHCS approval of each subcontractor and/or consultant selection along with approval of their budgeted costs and assigned responsibilities.

The Contractor shall not reassign Project Team Members while they are in the employment of the Contractor if such reassignment conflicts with the work the individual is to perform on the project, as determined by the DHCS Contracting Officer. The State recognizes that resignation or other events may cause a Project Team Member to no longer be available to the Contractor. If this occurs, Contractor shall notify in writing the State



Contracting Officer or his/her designee of the resignation within five (5) State workdays.

The DHCS Contracting Officer reserves the right to approve all staff, including replacement staff, assigned by the Contractor to the Project. The Contractor shall present to the Project Office at least one resume for any new or replacement personnel for all key staff for DHCS Project Office approval at least fifteen (15) State workdays before the personnel are to start working on the Project.

The Contractor shall present to the Project Office at least one resume for any new or replacement personnel for any non-key staff at the request of the DHCS Contracting Officer for approval at least fifteen (15) State workdays before the personnel are to start working on the Project.

The DHCS Contracting Officer reserves the right to disapprove the continuing assignment of any Contractor or subcontractor personnel provided to the State under the Contracts. The State Contracting Officer provides written notice to the Contractor Project Manager at least twenty (20) State workdays before personnel are to be replaced.

### **3) Facilities and Resources**

Requirements are described in Exhibit A, Attachment I, Sections A.11 through A.13. When new facilities are required for a contract phase, the Contractor must submit a Facilities Acquisition and Installation Plan for the acquisition of the new or additional facilities and office equipment and furniture. The instruction that follow should be used for every Facilities and Resources Plan requirement.

Describe the following as it relates to the Proposer's capacity to perform the SOW Requirements for the Legacy System Takeover Period:

- a) Current office facilities at the Proposer's disposal including number of offices owned or leased, square footage, number of staff housed and physical location or address.
- b) Current support services and office equipment capabilities immediately available and/or accessible for use in carrying out the proposed SOW Requirements. Include such things as, but not limited to:
  - i. A description of the range and/or type of support services available and number of staff.
  - ii. Messenger, delivery, shipping, distribution, or transport capabilities.
  - iii. Teleconferencing or telecommunications capabilities.
  - iv. Printing/reproduction or photocopying capabilities.

- v. Computer hardware and system capabilities (i.e., number, type, size, age, capacity and speed of personal computers or work stations and servers, Local Area Network capabilities, Wide Area Network capabilities, Data Transfer capabilities (disk or tape), Data Storage capacity, Video/Graphics capabilities, etc.).
  - vi. Software application in use (word processing applications, spread sheet applications, data base applications, graphics development applications, Web page design, applications, unique or other specialized software applications, etc.).
  - vii. Other support functions or capabilities that can be accessed and/or utilized.
- c) Identify any facilities, support services, or equipment that the Proposer must purchase, rent, or lease on a long or short-term basis to perform the services described in this RFP. The Takeover phase requires space for an additional fifteen (15) State staff for over-sight activities.
  - d) Describe your policies and procedures (in place) to appropriately secure, store and maintain the sensitive and confidential data that may be provided by or accessed through DHCS during the term of the resulting Contract. See Exhibit E, Additional Provisions, for information regarding unauthorized disclosures and confidentiality.

#### **4) Detailed Project Schedule**

Requirements are described in Exhibit A, Attachment I, Sections A.3 through A.5, and Exhibit E, Provision 52. The instruction that follow should be used for every Management Plan requirement.

In this section of the proposal, the Proposer must submit the following:

- a) Overview of Detailed Project Schedule for Takeover
  - i. The Detailed Project Schedule must be developed in a standardized project schedule format (such as Microsoft Project) and must include the step-by-step actions that will be carried out to fulfill all of the SOW Requirements for this period of the project (i.e., Legacy System Takeover). Refer to Exhibit A, Attachment I, for SOW Requirements.
  - ii. The Detailed Project Schedule will facilitate tracking of project phases and the specific stages, activities and tasks required to fulfill the requirements of the Takeover period. The Detailed Project Schedule in Tab 6 will incorporate tasks specific to the Takeover of the Legacy System, and must show sufficient sub-task levels so that no lowest-level task requires longer than two weeks for completion.
  - iii. If the nature of a task or function hinders specific delineation of methods and procedures (e.g., a task is dependent upon a future action or multiple approaches may be used), explain the probable

methods, approaches, or procedures that will be used to accomplish the task or function. Also, describe, in this instance, how the proposing firm will propose the ultimate strategies and detailed plans to DHCS for full consideration and approval before proceeding to carry out the next task or function for the project.

b) Detailed Project Schedule Content

For the Legacy System Takeover Period, the Proposer must:

- i. Include a preliminary proposed project plan in electronic form using a standardized work/schedule plan format (such as Microsoft Project).
- ii. Provide a detailed schedule to support the stages identified in this period of the RFP. Include the activities listed in Exhibit A, Attachment I, as well as tasks, milestones, deliverables, task dependencies and resources for delivering the proposed solution.
- iii. Show sufficient sub-task levels so that no lowest-level task requires longer than two (2) weeks for completion.
- iv. Identify activity start and completion dates and the planned dates for initial submission, initial review, and return to Proposer for revision/correction, revision/correction process, walk-through, second level review, revision/correction process, and acceptance of each deliverable.
- v. Identify all proposed resources by, at a minimum, title/position.
- vi. Show tasks requiring state resources, summarize the proposed use of state resources, and state any assumptions regarding anticipated involvement of these resources. Further, agree that the Proposer retains final responsibility for the quality and timeliness of the deliverables.
- vii. Show task and individual time assignments and schedules in a Gantt type chart.
- viii. Provide a critical path diagram showing all significant tasks/activities and interdependencies.
- ix. Commit Proposer to finalize the Project Schedule, developed jointly with and accepted by the State, no later than forty-five (45) calendar days after Contract signing.
- x. Agree that the finalized Project Schedule becomes part of the Proposer's response and that it will be incorporated in the Contract by reference upon its acceptance by the State.
- xi. Describe how the initial schedule will be created including specific estimating guidelines for project planning.

- xii. Describe an approach to providing updates to the Project Schedule.
- xiii. Agree that revisions to the Project Schedule do not relieve the successful Proposer of its responsibility or liability for having failed to meet milestones under a prior project plan, unless authorized representatives of the State affirmatively agree in writing to waive such liability.
- xiv. Agree that the successful Proposer must meet with the State every two (2) weeks to walk through proposed updates to the official project plan maintained by the State and to obtain State consent to the updates.
- xv. State that the Proposer understands that the State will maintain the Project Schedule used to report project progress and status.
- xvi. Agree that the Proposer will maintain their detailed project plans and publish those plans and updates to a common area to which the Proposer, the State, and State designees have access.
- xvii. Describe what project management tools, if any, will be used by the Proposer to maintain their detailed Project Schedule.

c) Requirements of the SOW

This area shall include a detailed description of the approaches the Proposer will use to fulfill the requirements of the SOW Requirements for the Legacy System Takeover. DHCS is interested in Proposals that provide well-organized, comprehensive, and technically sound business solutions. Vague explanations will undermine the proposing firm's credibility and will result in reduced Proposal scores. Please see the submission requirements below for the specific organization requirements for this response.

The incumbent Contractor is required to prepare a proposal for takeover of the CA-MMIS, but their response would be limited to new system requirements, any proposed changes, or new approaches to management of the FI Contract.

## 5) Approach to Takeover

Requirement are described in Exhibit A, Attachment I, Sections A.6, A.8, A.10, and A.14 through A.30 and Exhibit A, Attachment III.

The Proposer must include their approach for meeting all takeover considerations, including assumption, maintenance and enhancement of the CA-MMIS. Takeover includes all the expansion activities highlighted in the Takeover Work Schedule, included as a table in Exhibit A, Attachment I of the RFP. Proposers must demonstrate their understanding of the complexity and inherent risk in assuming a MMIS of the age and complexity of CA-MMIS and

describe how they would mediate these risks while still meeting the aggressive schedule for takeover of CA-MMIS.

## **6) Testing and Assumption of Operations**

Requirements are described in Exhibit A, Attachment I, Section A.31 through A.38.

The Proposer shall take over the system as modified by the incumbent during the course of this procurement, add any system upgrades required under the new contract and accept, test, and install the complete MMIS. The Proposer's project plan, provided as part of their proposal, must demonstrate the thoroughness of the Proposer's understanding of the activities and tasks required to take over and stabilize the CA-MMIS.

## **g. Tab 7 - Legacy System Operations: Submission Requirements**

Requirements are described in Exhibit A, Attachment II.

In Tab 7, the Proposer must describe in detail the Proposer's activities for the duration of the Operations of the Legacy System. It should be noted that in this section there are no submission requirements for Project Schedules for the Operations of Legacy System. The Proposer must organize its responses into the following sections and must fully address all scope of requirements for Legacy System Operations:

### **1) Management Plan**

Requirements are described in Exhibit A, Attachment II. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Management Plan. The associated plans should be developed to address the specific requirements of the Legacy Operations phase of the Contract.

### **2) Project Personnel**

Requirements are described in Exhibit A, Attachment II, Exhibit E, and Exhibit J. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Project Personnel. The Human Resource Plan should be developed to address the specific needs of the Legacy Operations phase of the Contract.

### **3) Facilities and Resources**

Requirements are described in Exhibit A, Attachment II. Describe the following as it relates to the Proposer's capacity to perform the SOW Requirements for the Legacy System Operations Period. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Facilities and Resources. The associated plans should be developed to address the specific requirements of the Legacy Operations phase of the Contract.

Identify any facilities, support services, or equipment that the Proposer must purchase, rent, or lease on a long or short-term basis to perform the services described in this RFP. The Legacy Operations phase requires space for ninety (90) State staff for over-sight activities.

#### **4) Claims and Encounters**

Requirements are described in Exhibit A, Attachment II, Sections E, G, H, I, J, K L, M, N, O, P, Q, CC and FF.

This area includes the Claims Processing Subsystem, TAR, CALPOS, DUR Processing, CHDP, CTP, CCS, GHPP, CDP-EWC, Family PAC, Office of Family Planning, Encounter Data Processing, Crossover Claims, EAPC, LSRS, Medi-Reservation, and CMC system.

- a) Proposers must describe their approach to management of the Claims Processing Subsystem, including correct processing of claims from all programs included under CA-MMIS.
- b) The Proposer's adherence to DHCS policy and procedures driving claims entry, adjudication, payment and accounting is required.

#### **5) Utilization Management and Treatment Authorization Requests (TAR) Processing**

Requirements are described in Exhibit A, Attachment II, Sections F, R, T and DD.

- a) Proposers must describe their approach to management of the TAR process, including the critical interface between SURGE and the Claims system for validating the TAR's against claims with procedures requiring authorization for payment. Proposers shall demonstrate their understanding of the TAR business arrangement, with use of field offices for receipt, review and input of the TAR documents.
- b) Proposers must describe their approach to management of the SUR reporting and profiling process, including the strategy for identification of provider and recipient utilization issues, and converting the results to assist management with policy development and program management. Proposers must also demonstrate their understanding of the fraud and abuse activities performed by DHCS and how the data tools must support both formal SUR reporting and profiling and the more intuitive needs of fraud and abuse detection.

#### **6) Reporting and Data Management**

Requirements are described in Exhibit A, Attachment II, Section S and Section HH.

- a) Proposers must describe their approach to management of the general reporting requirements, with emphasis on data management, storage and retrieval.
- b) Proposers must also demonstrate their understanding of the CA-MMIS documentation standards, software inventory and overall operational procedures of CA-MMIS.

## **7) Data Processing and Documentation**

Requirements are described in Exhibit A, Attachment II Section II, Exhibit A, Attachment III, Section A.2 and A.3.

- a) Proposers must describe how they will apply general data processing and documentation standards and/or requirements when making modifications to CA-MMIS.
- b) Proposers should describe their design and programming techniques using industry known Data Processing/Computer Science structured packages while conforming to certification requirements identified in Exhibit A, Attachment III, Section A.2 and A.3

## **8) Provider and Beneficiary Services**

Requirements are described in Exhibit A, Attachment II, Sections B, C, D, O, FF and RR.

### **a) Recipient Subsystem:**

Proposers must describe their approach to management of the Recipient Subsystem, including the interface with MEDS for real-time eligibility verification and the operation of the CA-EV/CMS and the CRMS. Proposers also must demonstrate their understanding of the additional, non-Medi-Cal beneficiaries that are supported through CA-MMIS.

The requirements for the Recipient Subsystem are described in Exhibit A, Attachment II, Section B.

### **b) Provider Subsystem:**

Proposers must describe their approach to management of the Provider Subsystem, including the shared relationship with the Department for maintenance of the PMF and the extensive Provider Relations (PR) Operations responsibilities for publications and communications, provider training and operation of the Telephone Service Center.

The requirements for the Provider Subsystem are described in Exhibit A, Attachment II, Section C.

### **c) Reference File Subsystem**

Proposers must describe their approach to management of the Reference File Subsystem, including the strategy for maintaining accurate and up-to-date files of procedures, modifiers, drug/product codes, and maximum prices to facilitate proper adjudication of claims. Responsibilities also include maintenance of the procedure, formulary, and diagnosis files, as well as the edits and audits criteria tables file that are used to apply program policies.

The requirements for the Reference File Subsystem are described in Exhibit A, Attachment II, Section D.

## **9) Financial Accounting and Recoveries**

The requirements for financial accounting for MARS, TPL, and RAIS are described in Exhibit A, Attachment II, Sections S, U and Section GG.

Proposers must describe their approach to management of the various aspects of financial accounting and recoveries, including how they assure data integrity through the MARS and federal reporting requirements. The Proposer also must demonstrate an understanding of the TPL recovery process and the pharmacy Rebate Accounting Information System.

## **10) Other Subsystems, Equipment Devices and Networks**

The requirements for Other Subsystems, Equipment Devices and Networks are described in Exhibit A, Attachment II, Sections V, W, X, Y, Z, AA and BB.

Proposers must describe their approach to supporting the requirements of these diverse systems, devices or networks, including the Interactive Voice Response System, CA-EV/CMS Equipment, POS Devices, POS Network, Medi-Cal Internet Website-Internet Bulletin Board System (IBBS) and the Medi-Cal Extranet Website.

## **11) Quality Management Process**

The requirements for the Quality Management Process are described in Exhibit A, Attachment II, Section JJ.

The Proposer must describe its approach to Quality Management, including proposed content for the Quality Management Plan and Quality Assurance Plan. The Proposer must include all key quality functions in its response, including the Problem Correction System, Erroneous Payments and liability for overpayments.

The Proposer must describe its Contract Management Process, including the proposed reporting and monitoring software.

## **12) Security, Confidentiality and Privacy**



The requirements for Security, Confidentiality and Privacy are described in Exhibit A, Attachment II, Section KK and LL.

The Proposer must describe its approach to maintaining Security and Confidentiality and Privacy for the duration of the FI contract. The Proposer must submit draft Security and Confidentiality and Privacy Plans that meet the requirements of Exhibit A, Attachment II, Section KK and the referenced standards in Exhibit E, Provision 57.

### **13) Record Retention and Document Management (LIVELINK)**

The requirements for Record Retention and Document Management are described in Exhibit A, Attachment II, Section EE and MM.

The Proposer must describe their approach to Record Retention and Document Management including the scope of the current requirements. The Proposer, if not the incumbent, must identify and describe its proposed replacement for the LIVELINK system.

### **14) Staff Training Requirements**

The requirements for staff training are described in Exhibit A, Attachment II, Section OO.

The Proposer must describe its approach to management of staff training under the FI contract requirements for operation of the Legacy System. The Proposer must submit a draft staff training plan that meets both the objectives and the specific requirements for staff training as described in Exhibit A, Attachment II, Section OO.

### **15) Other Requirements**

The remaining requirements for operation of the Legacy System are described in Exhibit A, Attachment II, Sections NN, PP and QQ.

The Proposer must describe how it will manage three separate responsibilities, including 1) the Expert Witness responsibility, 2) the Cost Containment Innovations and 3) the SB393 Medicare Drug Discount Program.

### **h. Tab 8 - Legacy System – Expansion Items/Systems Group: Submission Requirements**

In Tab 8 the Proposers must describe in detail their activities to support Expansion Items in the Legacy System and the Systems Group. The Legacy – Expansion Items include all the requirements that are described in Exhibit A, Attachment I, Section 2. Exhibit A, Attachment III, describes the activities for the Systems Group. Proposers must identify and acknowledge how they will provide and/or comply with each Expansion Item and the System Group.

## 1) Contract Management

The requirements for a Contract Management Tool are described in Exhibit A, Attachment I, Section 4.A.2 and Exhibit A, Attachment II, Section JJ.

- a) Proposers shall describe the Contract Management Tool and methodology proposed for the Legacy System and indicate how it would be used to support the effort required of the FI for this Contract. Proposers must also describe how DHCS staff would become a full partner in assessing the project status.
- b) The Proposers must demonstrate how the tool and methodology can accommodate changes in scope, additional oversight contractors and integrate with the case management system or other data bases, as necessary.
- c) Proposers must describe their capability to identify, monitor and report on all performance standards required under this Contract.
- d) Proposers must describe their familiarity with their proposed Contract Management Tools including how the tools have been used in other related projects.

## 2) Enterprise Project Management Office (EPMO)

Requirements are described in Exhibit A, Attachment I, Section A.2 and Exhibit A, Attachment III, Section 3. The requirements include functions performed under Quality Management (QM) and Project Management (PM).

- a) Proposers must describe their understanding of the purpose and responsibilities of the EPMO, including managing the separate resources for the Systems Group and routine maintenance.
- b) Proposers must demonstrate its commitment to meeting the States' objectives for the use of EPMO.
- c) Proposers must describe how they will use the EPMO concept to build efficiencies in system development processes and how they will measure the increases in productivity.
- d) Proposers must describe how they will use project management tools by Systems Group to track, monitor and manage the array of change orders undergoing development.
- e) Proposers must describe the scope of the EPMO and explain how they would use the EPMO to support all phases of the new FI Contract from Takeover and operations of the Legacy System through operations of the Replacement System, including system expansion items, enhancements and OCS's.

### **3) Project and Portfolio Management**

Requirements are described in Exhibit A, Attachment I, Section 2 and Exhibit A, Attachment III, Section 3.

- a) Proposers must identify its proposed COTS and/or open-source products for project and portfolio management tools and methodology that demonstrate their understanding of the purpose and use of the tool in managing system development.
- b) Proposers must describe how they will use portfolio management to track, monitor and manage the array of systems development changes undergoing development.
- c) Proposers must describe how they will use the project management tool to track all project artifacts enterprise-wide such as project tasks; action items; issues; problem reports; time reporting; automated approvals; change orders; and deliverables.
- d) Proposers must describe how the selected COTS tool will provide comprehensive project management, portfolio management, and reporting of all Contractor resources. The reporting must support a methodology to track all personnel resources and hours across the portfolio with the capability to drill down to an individual project.

### **4) All Other Expansion Items**

Requirements are described in Exhibit A, Attachment I, Section 2, Exhibit A, Attachment II, Exhibit E and Exhibit B, Attachment I.

- a) Proposers must identify how they will implement and support all the remaining Expansion Items.

### **5) Systems Group (SG)**

Requirements are described in Exhibit A, Attachment III.

- a) Proposers must demonstrate their understanding of the purpose and responsibilities of the Systems Group.
- b) Proposers must describe how they will use project management tools by Systems Group to track, monitor and manage the array of change orders undergoing development.
- c) Proposers must describe the organizational structure to accomplish both billable and non-billable tasks including management and clerical support. Provide job descriptions for each type of staff including numbers by job classification according to Exhibit E, Provision 19.

- d) Proposers must describe an overall quality approach, including how projects will be staffed based on the proposed job descriptions and classifications to implant high quality, cost effective changes.
- e) Proposers must describe the proposed estimation toll, methodology, metrics and project control processes that will be used to continually improve the estimation accuracy over time.
- f) Proposers must describe a resource development plan describing how new resources will be trained, mentored and measured in order to obtain the requisite knowledge and skills needed to support the Department's business.

**i. Tab 9 - Legacy Operations – System Enhancements: Submission Requirements**

Requirements are described in Exhibit A, Attachment IV. The Proposer is expected to add their industry knowledge on the topics, and propose the best of class solution for each enhancement. Unless otherwise stated, all enhancements would be updates to the Legacy System which must be carried forward to the Replacement System.

**1) Business Rules Extraction**

Requirements for the Business Rules and requirements traceability are described in Exhibit A, Attachment IV.

Proposers must describe their approach to rules extraction. The description should identify required Proposer and State resources, any automated tools proposed, and demonstrate how the approach will lead to a more accurate picture of the Legacy System business functionality and the gaps between this functionality and the written program guidelines.

- a) Proposers must include a Project Management Plan with clear identification of the schedule, proposed resources and work products.
- b) Proposers must describe the business rule taxonomy they propose to use and how the taxonomy is integrated with and/or supported by their approach and tools.
- c) Proposers must justify their selection of a requirements traceability tool and describe how they believe it will support collection and indexing of the Legacy business rules to produce a requirements traceability of requirements, including test cases and policy updates through the duration of the FI Contract and beyond.

**2) Managed Care**

Requirements for Managed Care are described in Exhibit A, Attachment IV.

- a) Proposers must describe their experiences in working with multiple managed care organizations, County Health Systems and Dental Care Managed Care Plans.
- b) Proposers must describe their experiences and ability to accept and edit encounter data from multiple managed care plans.

### **3) Health Information Exchange / Health Information Technology (HIE/HIT)**

Requirements for HIE/HIT are described in Exhibit A, Attachment IV.

- a) Proposers must describe their approach to developing an enhancement that will support provider adoption of HIE/HIT and meet the Department's goal of improving continuity and quality of care, and cost control through direct access for providers and the Department to beneficiary clinical data.
- b) Proposers must provide detail on their approach to meeting the specific requirements identified in the HIE/HIT enhancement.,
- c) Proposers must show how the proposed integration HUB/Interoperability Platform will meet current standards for authentication, authorization, consent directives, and encryption and be designed to adapt to additional national standards and exchange structures when developed. .
- d) Proposers must describe how they will develop the integration HUB/Interoperability Platform to work with the Legacy System and then later with the Replacement System.
- e) Proposer's solution must show how it is independent of either Legacy or Replacement systems and how it is configurable. Using rules, to connect to different HIEs including a web-application.
- f) Proposers must describe their approach to support the Department's ability to communicate with various HIEs by utilizing industry standards through a configurable hub/agent.

### **4) Serious Emotional Disturbances (SED) Prescription Drugs for Healthy Families Children**

Requirements are described in Exhibit A, Attachment IV.

- a) Proposers must describe their approach to establishing a claims adjudication process in CA-MMIS for prescription drugs dispensed to SED children under the Healthy Families Program. Proposers must explain how their system would identify the targeted population, how they would control the formulary for the program and how they would account for the payments separately.
- b) Proposers must include their experience in implementing similar programs with targeted populations, limited benefits and separate funding and reporting requirements.

**5) Enhanced Primary Care Case Management (EPCCM)**

The requirements for EPCCM are described in Exhibit A, Attachment IV.

- a) Proposers must describe their approach to implementing an EPCCM program that meets the requirements of Exhibit A, Attachment IV. Proposers must describe how they would identify and recruit Primary Care Providers (PCP's), enroll them in the EPCCM program, account for the stipends to the PCP's and coordinate program administration with the enrollment broker and disease case management contractors.
- b) Proposers must include their experience in implementing similar programs with targeted populations, specified case coordinators and additional accounting and reporting requirements.

**6) Modifications to HIPPA Standards for Electronic Transactions Enhancement**

Requirements are described in Exhibit A, Attachment IV.

- a) Proposers must describe their approach to upgrading the legacy system to support the Version 50-10 of the standards for health care transactions, including claims, remittance advices, eligibility inquiries and claim status transactions. The approach should include experience, if any, the proposer has in updating a claims processing system to accept 50-10 transactions and how the proposer will leverage any subsequent experience in upgrades, from other Medicaid accounts, or other private or public contracts for the benefit of CA-MMIS.
- b) Proposers must include a draft impact analysis in their response, describing the extent of the changes, including modules, tables and coding that would be required to upgrade the legacy system to accept 5010 transactions.
- c) Proposers must describe the potential impact of the standard upgrade to providers and State users and discuss their training mitigation approach.

**7) Replacement of HIPPA code set ICD-9 with code set ICD-10**

Requirements are described in Exhibit A, Attachment IV.

- a) Proposers must describe their approach to upgrading the Legacy System to accept ICD-10 diagnosis and procedure codes including the required crosswalk to the current coding standard.
- b) Proposers must include a draft impact analysis and identify the impact to the Legacy System software, providers and the on-going daily operations.
- c) Proposers must describe their previous experience in designing and supporting coding crosswalks and identify any unique aspects of the ICD-10 conversion.

- d) Proposers must describe their approach to the business process change for providers, State users and other stakeholders affected by the code conversion.
- e) Proposers must describe how they would use the additional information in supporting quality improvements for the Medi-Cal and associated health care programs.
- f) Proposers must describe health care professional support that will be provided to support the policy decision making process.

## **8) Claims Attachment (X12 275)**

Requirements are described in Exhibit A, Attachment IV.

- a) Proposers must describe their approach to upgrading the Legacy System to accept the Claims Attachment transmitted within Electronic Data Interchange (EDI) transactions.
- b) Proposers must include a draft impact analysis and identify the impact to the Legacy System software, providers and the on-going daily operations.
- c) Proposers must describe their approach to the business process change for providers, State users and other stakeholders affected by the Claims Attachment and HL7 transactions.
- d) Proposers must describe how they would use the additional information in supporting quality improvements for the Medi-Cal and associated health care programs.

## **j. Tab 10 - Planning and DDI for Replacement System: Submission Requirements**

Requirements are described in Exhibit A, Attachment VI and Exhibit E.

In Tab 10, the Proposer must describe in detail the Proposer's activities for the duration of the Replacement System Planning and DDI phase of the project. The Proposer must organize its responses into the following sections and must fully address all scope of requirements for DDI.

### **1) Management Plan**

Requirements are described in Exhibit A, Attachment III, Exhibit A, Attachment VI, Sections 1 through 3, Exhibit E, Provisions 19 and 52 and Exhibit J. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Management Plan. The associated plans should be developed to address the specific needs of the DDI phase of the Contract. The plans for this contract phase must demonstrate the Proposer's knowledge of large system development, and the Operations requirements to support the new development.

The Proposer's approach to the planning and DDI tasks must conform to State CIO standards for System Development Life Cycle (SDLC) methodology and meet or exceed the requirements for CMMI level 2 or ISO/IEC 9000. The Proposer's response must demonstrate compliance of its proposed SDLC with these standards. The Proposer's detailed description will also include how the SDLC will support the transition from the DDI period to the Replacement Operations phase. A report of staffing and budget metrics is required for all DDI components.

a) Monthly Project Status Report

One of the requirements under the Management Plan section is project status reports. As part of the Monthly Project Status Report, the Contractor shall report the following project metrics:

- i. The Contractor shall calculate and report the Schedule Variance for each DDI life cycle phase at least monthly by comparing the Contracts budget to the Earned Value (EV) to determine and quantify the schedule performance (EV minus Estimated Budget) for the DDI phase.
- ii. The Contractor shall calculate and report the Schedule Performance Index (SPI), the ratio of EV and Planned Value (PV), for the total DDI phase and each active DDI life cycle phase at least once a month.
- iii. During the DDI phase, the Contractor shall calculate and report Cost Variance for the total DDI phase and for each DDI life cycle phase, by comparing the actual cost and the EV for the same work scope (EV minus Actual Cost). The cost variance is a measure of cost performance as it compares the actual cost incurred to the value of work accomplished while eliminating the effects of schedule status variations that are inherently present in simple comparisons of actual cost to budget.
- iv. During the DDI phase, the Contractor shall perform a Critical Path Analysis for each DDI life cycle phase for long-range projections as part of the milestone review for the previous phase. Once a phase is started, the critical path for that phase shall be recalculated at least monthly.
- v. For the overall DDI phase and each DDI life cycle phase, the Contractor shall determine the current estimated total cost for Project-authorized work using the Earned Value Methodology calculation Estimate at Completion (EAC), which equals actual cost to a point in time plus Estimate To Complete (ETC), which is the expected additional cost needed to complete the phase.



- vi. EAC shall be calculated for the entire DDI phase and currently active DDI life cycle phases and be reported at least monthly to the Contracting Officer.
- vii. The Contractor shall compare this information with the performance measurement baseline approved by the DHCS Contracting Officer to identify projected cost and schedule variances at completion that would adversely impact the Project and any applicable stakeholder.

## **2) Project Personnel**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3, Exhibit E, Provision 52 and Exhibit J. Describe the following as it relates to the Proposer's ability to perform the SOW Requirements for the DDI Period.

The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Project Personnel. The Human Resource Plan should be developed to address the specific needs of the DDI phase of the Contract.

## **3) Facilities and Resources**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3 and Exhibit E, Provision 52. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Facilities and Resources. The Plan should be developed to address the specific needs of the DDI phase of the Contract.

## **4) Detailed Project Schedule / DDI Plans**

Requirements for the Project Schedule are described in Exhibit A, Attachment VI, Section 3 and Exhibit E, Provision 52. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Detailed Project Schedule. The Project Schedule for DDI should be developed to address the specific needs of the DDI phase of the Contract.

Proposers must include a draft Detailed Project Schedule as part of their proposal defining the entire planning and DDI scope of work. The successful Proposer shall be required to work with the Contracting Officer in updating and clarifying issues with the draft Detail project Plan and obtain DHCS approval within forty-five (45) days from the Contract signing.

Proposers must also include a draft of all DDI plans required in Exhibit A, Attachment VI, Table 2. The draft DDI Plans must include the required topics in Exhibit A, Attachment VI, Section 3 and draft subject matter concept

statements. The plans must list and describe the primary topics expected to be covered in each plan in sufficient detail to allow the reviewers to evaluate Proposer's approach and scope of coverage.

## **5) Federal Centers for Medicare and Medicaid Services (CMS) Certification**

The requirements for CMS Certification are described in Exhibit A, Attachment VI, Sections 1 and 3.

- a) Proposers must include their approach for obtaining and maintaining CMS Certification, including resources, the preparation schedule and coordination with other State agencies that support key elements of the CMS Certification elements.
- b) Proposers must describe how they will use CMS Certification toolkit to support the joint Contractor.

## **6) System Architecture (SOA/MITA)**

Requirements for System Architecture are included are described in Exhibit A, Attachment VI, Section 1 and Exhibit E, Provision 57.

A major goal for DHCS in this procurement is achieving an MMIS that moves the Medi-Cal program administration closer to the MITA model. The Department will assess Proposers' approach to designing a Replacement System that exhibits the interoperability required by MITA.

The Proposer's approach to the General System and Technical Requirements must emphasize SOA and MITA competencies while complying with State CIO and Department standards for IT projects

- a) The Department is interested in a detailed description of each Proposer's approach to designing a replacement MMIS for California that is responsive to the State's interest in adopting a SOA that supports MITA and at the same time provides the business functionality required of the State's health care programs.
- b) Proposer must explain how their proposed SOA implementation into the State & Department SOA will work and at a minimum expose the interchange of data for HIE to external systems. This description will include explanation of Beneficiary, Provider and other categories of data in a secure mechanism that adheres to Federal, State and Department security requirements referred to in this RFP. The explanation needs to address the Enterprise Bus concept, including how it will support security, orchestration of transactions, and messages within the SOA configurations.

## **7) System Security and Privacy**

The requirements for System Security and Privacy are included in Exhibit A, Attachment II, Section KK Attachment VI, Section 1, and Exhibit E, Provision 57.

- a) Proposers shall demonstrate how their security and privacy controls will meet all Federal and State requirements including both Security and Confidentiality and HIPAA in the development and operation of the Replacement System, including any upgrades required.
- b) Proposers must indicate how they will assure the required coordination with the various State agencies sharing data.

## **8) Environments**

The requirements for Environments are described in Exhibit A, Attachment VI, Sections 1 through 3, and Exhibit E, Provision 57.

- a) Proposers are required to describe their approach to meeting RFP requirements for supporting the required environments for production, unit, system and UAT, parallel testing, training and others.
- b) Proposers must delineate how they perceive meeting “full production capability” for testing environments and specific limitations in other environments, such as training.
- c) Proposers must describe how they will allow users to test multiple components of the CA-MMIS concurrently.

## **9) Business Continuity / Operational Recovery**

The requirements for Business Continuity/Operational Recovery are described in Exhibit A, Attachment II, Section KK, Attachment VI, Section 1 and Exhibit E, Provision 57.

- a) Proposers must describe their approach to business continuity and disaster recovery including their institutionalized company practices plus highlight unique considerations for CA-MMIS Exhibit E, Provision 57 and acknowledge the unique California environment, (e.g., earthquakes).
- b) Proposers must demonstrate their understanding of the specific Contract requirements for operational recovery and show how they would coordinate activities with other key State players, or compensate for the loss of a key data sharing partner, in meeting contract requirements.

## **10) Data Support Tools**

Data Management Technical Support requirements are described in Exhibit A, Attachment VI, Sections 1 through 4.

- a) Proposers must describe their approach to data management including the basis of the Proposer’s decision to either continue the existing BORS

tool set or move to a new tool. In either case, Proposers must show how their solution will meet the various business requirements.

- b) Proposers must describe the technical support provided with the reporting tools and show how the support will meet anticipated increased State use of the reporting capability with a modern MMIS.
- c) The submitted response shall:
  - i. Discuss how the proposed solution represents a best-of-breed solution and/or utilizes open-source code.
  - ii. Include the Proposer's approach to designing, implementing, delivering, and supporting data mart(s) and reporting tool.
  - iii. Demonstrate how the data mart(s), reporting tools(s), and necessary training and technical support will meet the requirements.

## **11) Case Management Tools**

The requirements for the Case Management Tools are described in Exhibit A, Attachment VI, Sections 1 through 4.

- a) Proposers are required to offer a flexible Case Management application(s) that meets the requirements of the applicable business areas described in this RFP. The Proposers must identify their approach to Case Management and demonstrate how the proposed system(s) can be integrated into the overall management requirements of Medi-Cal and related programs.
- b) The Case management System must provide links to the Contact Tracking & Management System (CT&MS), or incorporate the CT&MS as an integral component of the Case Management application. The description needs to explain how the Proposer would implement Business Process Management (BPM) including configuration of workbench/workflow/dashboards to enable various Department case management models to meet their specific workloads.
- c) The Proposer's response must discuss how the proposed solution represents a best-of-breed solution and/or utilizes open-source code.
- d) The proposer must provide a description of how its system will support DHCS needs for interfaces via single sign-on access to other MMIS related systems that house data which supports case management history.

## **12) Rules Execution**

The requirements for Rules Execution are described in Exhibit A, Attachment VI, Sections 1 through 4. The Proposer's response must discuss how the

proposed solution represents an integrated solution that may include best-of-breed solution and/or utilizes open-source code.

- a) Proposers must identify how the proposed Replacement System will enhance the maintenance and operation of the CA-MMIS environment in reducing delays in processing, operational configuration of resources, legislative and Department rules configuration, and will provide overall cost savings to run, manage, and modify the system. This discussion needs to include the Proposer's proposed use of rules engines, stored rules in tables, and any other method of maintaining data without source code changes and life-cycle project management. The description should also answer the following questions:
  - i. How does the replacement solution handles changing legislation, policies, Federal mandates, and new service programs?
  - ii. How does the replacement solution contribute to reducing or eliminating long development cycles and ongoing maintenance costs? Examples include, but are not limited to, policy management, rate changes, and claim adjudication.
- b) Show proven examples of use in a Medicaid or similar environment that requires the ability to support flexible functionality in program management. The following examples are illustrative of Medi-Cal's needs:
  - i. Incorporation of actual written policy;
  - ii. Changes linked to policy enactments/change orders;
  - iii. What-if impact analysis;
  - iv. Regression testing;
  - v. Audit trails;
  - vi. Historical re-creation (playback in step fashion actual rule selection);
  - vii. Back-out of implemented changes;
  - viii. Rules engine usage;
  - ix. Workflow incorporation;
  - x. Warning and error alerts;
  - xi. Installation diagnostics;
  - xii. Rule-set version management; and
  - xiii. Incorporation into Business Process Management (BPM) workbench/workflow/dashboards.

### **13) Workflow Management**

The Workflow Management Tool and Letter Generator must meet the requirements as described in Exhibit A, Attachment VI, Section 1.

- a) Proposers shall describe how their solution for Workflow Management represents an integrated solution that may include best-of-breed solution or utilizes open-source code.

- b) Proposers shall describe their approach to workflow management in the Replacement System, including how their approach will support identification, tracking and notification of work activities.
- c) Proposer shall provide examples of Workflow Management use of the solution in a Medicaid or similar environment.
- d) The proposed solution shall include a description of how the letter generator shall support templates, inventory description of those templates, automated insertion of stored data elements, production of mailing lists, interfacing to centralized printing services, storage of prepared letters and data-driven logic to generate letters automatically.

#### **14) Electronic Document Management System (EDMS)**

The requirements for EDMS are included in Exhibit A, Attachment VI, Sections 1 through 4. The Proposer's response must discuss how the proposed solution represents a best-of-breed solution and/or utilizes open-source code.

DHCS is looking for an effective and user-friendly EDMS to support the State's increasing health care business. The Proposers should demonstrate how their solution consolidates the existing systems and provides supports for all key Medi-Cal and other program documents.

- a) Proposers shall describe how their document management system will support all/or consolidate all existing document management requirements, including TPL, during the Replacement System operation, plus meet any additional requirements for document management.
- b) Proposers must address the major accumulation of hard copy TAR documentation currently archived in the Medi-Cal Field Offices, Pharmacy Sections, TAR Administrative Remedy Section and State Records Center and present a realistic approach for meeting new requirements for imaging and storage of the ongoing TAR medical records, plus securely destroy the inventory of paper files.

#### **15) Master Test Plan, Construction & Unit Testing**

The requirements for Master Test Plan preparation and Construction & Unit Testing are described in Exhibit A, Attachment VI, Sections 1 through 3 and Exhibit E, Provision 57.

- a) Proposers must describe their approach to Construction and Unit Testing. The approach must include a strategy for establishing and maintaining a test environment, development of test scripts, and a description of their proposed tool(s) for tracking and reporting of testing activities including, but not limited to, documentation of test scripts, test results, and error resolution.

- b) Proposers must describe their approach to producing a Master Test Plan, including test documentation, test materials, related MMIS system interfaces, requirements traceability and test results.
- c) Proposers must describe how they will support the different testing levels, for Code and Unit testing through Parallel Test.

#### **16) System Testing**

The requirements for System Testing are described in Exhibit A, Attachment VI, Sections 1 through 3, and Exhibit E, Provision 57.

- a) Proposers must describe their approach to System Testing, including establishment and maintenance of test environment, development of test scripts, and tracking of testing activities including documentation of test scripts, results, error resolution, and retesting.
- b) Proposers must describe the proposed coordination of testing activity and communication of results with the State users and any oversight contractor.

#### **17) User Acceptance Testing (UAT)**

The requirements for UAT are described in Exhibit A, Attachment VI, Sections 1 through 3 and Exhibit E, Provision 57.

- a) Proposers must include a description of its User Acceptance Testing strategy, methodology, and schedule. The response must also include a description of the tool(s) for the tracking and reporting of testing activities including, but not limited to, documentation of test scripts, test results, error resolution and retesting.
- b) Proposers must describe their proposed coordination with State users in developing test scenarios, test cases, reporting test results and resolving defects

#### **18) Operations Readiness Review**

The requirements for Operations Readiness Review are described in Exhibit A, Attachment VI, Section 3.

- a) Proposers must describe their approach to operational readiness, including identification of required steps, gaining concurrence from State management over the approach and communication of results the State managers and any oversight entity.
- b) Proposers must include a strategy for confronting the issues resulting from a phased implementation.

#### **19) Parallel Testing**

The requirements for Parallel Testing are described in Exhibit A, Attachment VI, Sections 1 through 3 and Exhibit E, Provision 57.

- a) Proposers must include a description of its parallel testing strategy, methodology and schedule. The response must also include a description of the tool(s) for tracking and reporting of testing activities including, but not limited to, documentation of test scripts, test results, error resolution and re-testing.
- b) Proposers must describe the effort to coordinate a parallel test, including the respective responsibilities of the Contractor and the State.

## **20) System Design**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3 and Exhibit E, Provision 57.

- a) Proposers shall describe their overall approach to system design, the SDLC and a description of the philosophy and strategy used to complete system design. The description must include a model of their proposed General System Design (GSD) and Detailed System Design (DSD) and demonstrate how the approach will ensure DHCS requirements are met.
- b) Proposers must describe the format and medium for the design documents and show how the design can be presented in an understandable fashion, with navigation tools to cross reference requirements, design artifacts and narrative description.

## **21) Gap Analysis and Requirements Validation**

Requirements are described in Exhibit A, Attachments II, Exhibit A, Attachment VI, Section 4 and Exhibit L.

- a) Proposers must complete Exhibit L, Gap Analysis, indicating the level of compliance or extent of modification to the proposed transfer system necessary to meet both Legacy and Replacement System business requirements. The Proposer must follow the specific instructions in Exhibit L in completing the Gap Analysis.
- b) The Proposer's response shall include a narrative description with this Exhibit, describing how the proposed transfer system, or system components, will be modified and/or integrated with proposed design changes or configuration management to meet each full functionality as described by this RFP.
- c) Proposers must describe their approach to requirements validation, including required Contractor and State resources, and demonstrate how their approach will lead to a more accurate picture of the Proposer's transfer system business functionality, business rules, and the gaps between this functionality of both Legacy and Replacement System business requirements.



## 22) Data Conversion

The requirements for Data Conversion are described in Exhibit A, Attachment VI, Sections 1 through 3, and Exhibit E, Provision 57.

- a) Proposers must describe their overall approach to Data Conversion, and demonstrate how their approach will ensure all data is successfully converted and no data is lost. The description must include the philosophy, strategy, and primary tactics detailing the approach to data cleanup, data mapping, data conversion, and must demonstrate how DHCS requirements will be met.
- b) Proposers must identify possible risks inherent in converting old data and describe their mitigation, based on corporate experience, where possible.

## 23) Implementation

The requirements for Implementation are described in Exhibit A, Attachment VI, Sections 1 through 3.

- a) DHCS is requiring Proposers to include their approach to phased implementation as a critical element of their proposal.
- b) Proposers must describe their approach to early implementation of an automated authorization system to replace the SURGE, CMIS and CMS-Net software. This requirement is mandatory.
- c) The Department is open to different approaches for implementing the remaining business requirements in the Replacement System, but requires Proposers to identify the potential impact of their approach on State users and other stakeholders. Proposers must also include a mitigation strategy for the expected impact.
- d) Proposers must describe their approach to an early implementation of the Pharmacy replacement, including DUR and the Rebate Management System and the TPL replacement. Proposers must describe the potential impact to users, and the associated risks. The requirement is mandatory.
- e) Proposers must demonstrate the flexibility of the application to allow integration into the Legacy System, then transfer without significant modification to become a key component of the Replacement System.

### k. Tab 11 - Transition from Legacy to Replacement: Submission Requirements

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3, Exhibit A, Attachment V, Exhibit E, provision 57 and Exhibit J.

Proposers must describe their approach to the transition from performing the detailed manual and automated operations of a combined mainframe and non-mainframe system environment to a more fully automated environment with the Replacement System.

The transition from the Legacy System to the more modern SOA Architecture carries an inherent risk due to the size and complexity of the programs supported in the current environment. These risks may play out differently, depending upon the vendor's approach. Proposers must identify the inherent risks in any large scale system replacement, along with specific risks they foresee in the CA-MMIS transition, based on their approach and proposed transfer system, and describe their mitigation strategy.

### **1) Management Plan**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3, and Exhibit E, Provision 52. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Management Plan. The associated plans should be developed to address the specific needs of the Transition from Legacy to Replacement phase of the Contract.

### **2) Project Personnel**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3, Exhibit E, Provisions 19 and 52 and Exhibit J. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Project Personnel. The Human Resources Plans should be developed to address the specific needs of the Transition from Legacy to Replacement phase of the Contract. Special emphasize should be placed on the training and cultural change management needs that arise during a large transition.

### **3) Detail Project Schedule**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3 and Exhibit E, Provision 52.

The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Detail Project Schedule. The Project Schedule should be developed to address the specific needs of the Transition from Legacy to Replacement phase of the Contract. Special emphasize should be placed on the training and cultural change management needs that arise during a large transition.

- a) The Detailed Project Schedules must be developed in a standardized project plan format (such as Microsoft Project) and must include the step-by-step actions that will be carried out to fulfill all of the SOW Requirements for this period of the project (i.e., DDI). Refer to Exhibit A, Attachment VI, for SOW Requirements.

- b) The Detailed Project Schedule will facilitate tracking of project phases and the specific stages, activities and tasks required to fulfill the requirements of the DDI period. The Detailed Project Schedule for Tab 11 should incorporate the Plans in Tab 10 – Planning and DDI for Replacement System and address tasks specific to the DDI Period, and must show sufficient sub-task levels so that no lowest-level task requires longer than two weeks for completion.

#### **4) MITA Migration Plan**

The requirements for System Architecture are included in Exhibit A, Attachment VI, Sections 1 through 3.

- a) A major goal for DHCS in this procurement is achieving an MMIS that moves the Medi-Cal program administration closer to the MITA model. The Department will assess Proposers' approach to designing a Replacement System that exhibits the interoperability required by MITA.
- b) The Proposer's approach to the General System and Technical Requirements must emphasize MITA competencies while complying with State CIO and Department standards for IT projects.

#### **5) Training/Cultural Change Management**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3 and Section 5.

- a) Proposers must describe how they would respond to the transition requirements in the Transition Section of Exhibit A, Attachment VI. Proposers must also identify other technical and cultural changes that the Contractor and the Department will face in the future environment and recommend change management approaches to mitigate disruption from the business change.
- b) Proposers must take into account the time lapse, probably five (5) years, between the date of proposal submission and the expected date of assumption of operations for the Replacement System. Personnel turnover and technology changes may date the approach and operation of the proposed Replacement System. In addition, State program policy and operating procedures will likely change over the five (5) year planning, design, development and implementation phase of the project. As a result of these contingencies, the Proposer's description should include assumptions for different aspects of their approach.

#### **6) Replacement System Training**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 5.

- a) Proposer must describe training for stakeholders in the use of the Replacement System. This includes the following:

- i. Approach and methods for comprehensive and technically sound training.
- ii. Description of potential training topics. Either specialized or general.
- iii. Demonstration of successful training conducted for other accounts.
- iv. Locations for potential training.
- v. Methods for evaluating the success of training.

## **7) Business Transition – Legacy to Replacement**

Requirements are described in Exhibit A, Attachment VI, Section 3.

- a) Proposer must clearly demonstrate an understanding of approaches and methods for the transition from the Legacy System to Replacement System as it relates Business Processes.
- b) Proposer must provide examples of past business transitions; lesson learned and how they will improve their existing transition plans for a successful transition of the Legacy System to the Replacement System.
- c) Proposer must describe general and specific project risks for the CA-MMIS replacement and provide their mitigation strategy bases in their business approach and system architecture.
- d) Proposer must describe the establishment of northern and southern TAR Processing Centers (TPC) and the transition of the Field Office Automation Group (FOAG) activities and staff from the Medi-Cal field offices to the TPCs. Proposers shall demonstrate their understanding of use of the field offices for receipt, review and input of the TAR documents, and how that will transition and consolidate into the TPCs.

### **I. Tab 12 - Replacement System Operations: Submission Requirements**

Requirements are described in Exhibit A, Attachment II, and Exhibit A, Attachment VI, Sections 1 through 5.

In Tab 12 Proposers must describe in detail how the Proposer plans to operate the Replacement System it has proposed. Proposers must show the advancement of MITA capabilities in its Business Operations and Project Management. Proposers must organize its response into the following sections and must fully address all SOW Requirements for Replacement System Operations.

Proposers must take into account the time lapse, probably five (5) years, between the date of proposal submission and the expected date of assumption of operations for the Replacement System. DHCS recognizes the difficulty in

projecting how the MMIS environment will perform required support for the Department five (5) years in the future. Proposers should understand the functionality of their proposed Replacement System and be capable of describing the basic system, and staff activities required to support the CA-MMIS described in this RFP.

### **1) Management Plan**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 5, Exhibit E, Provision 52 and Exhibit J. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Management Plan. The associated plans should be developed to address the specific needs of the Replacement Operations phase of the Contract.

### **2) Project Personnel**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3 and Section 5, Exhibit E, Provisions 19 and 52 and Exhibit J. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Project Personnel. The Human Resources Plan should be developed to address the specific needs of the Replacement Operations phase of the Contract.

### **3) Facilities and Resources**

Requirements are described in Exhibit A, Attachment VI, Sections 1 through 3 and Section 5. The detailed template for the description of the information required for this submission requirement is listed under Tab 6 – Facilities and Resources. The plan should be developed to address the specific needs of the Replacement Operations phase of the Contract.

Identify any facilities, support services, or equipment that the Proposer must purchase, rent, or lease on a long or short-term basis to perform the services described in this RFP. The Contractor should plan to have space for one hundred and five (105) State staff assigned to perform over-sight activities.

### **4) Quality Management**

Exhibit A, Attachment II, Section JJ, and Exhibit A, Attachment VI, Sections 4 and 5.

- a) Proposers must describe their approach to Quality Management of the FI Contract during the Replacement System Operations period. The key elements of Quality Management include the protocol for Contract Management instituted by the Proposer and the ability to capture, compile and report the contract performance measures to DHCS.
- b) Proposers are required to describe their Contract Management performance reporting tool/data base as part of the response to submission requirements for the Legacy System Operation. Proposer is

expected to continue the tool for the duration of the contract and upgrade as necessary.

- c) Proposers must show how the Contract Management tool can be configured for the Replacement System Operations and accommodate new or different standards and reporting requirements.

## **5) Change Management / Enterprise Project Management Office (EPMO)**

Exhibit A, Attachment III and Exhibit A, Attachment VI, Sections 1 through 5.

- a) Proposers must describe in their approach to use the EPMO in managing Systems Group support and Maintenance support personnel. Proposers must demonstrate their understanding of the two (2) concepts and show how their resources will be assigned to protect the integrity of the joint responsibilities. At the same time, the Proposer's solution must allow for management flexibility in supporting DHCS interest in having adequate routine maintenance support and still provide efficient and effective use of resources in building system changes.
- b) Proposers also must describe the potential change in emphasis for system maintenance and system development resources with the move to newer technology on non-mainframe systems.

## **6) Beneficiary-Member Support**

Requirements are described in Exhibit A, Attachment II, Section B and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must describe their approach to management of the beneficiary-member business area, including the interface with MEDS for real-time eligibility verification and the operation of the AEVS and the CT & MS. Proposers also must demonstrate their understanding of the additional, non-Medi-Cal beneficiaries that are supported through CA-MMIS.

## **7) Training / Ongoing**

The requirements for Replacement System Training are described in Exhibit A, Attachment II, Section OO and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must provide a description of their Replacement System Training strategy. This strategy must identify potential users throughout DHCS and other affected agencies as well as providers.

On-going training, for providers, FI staff and State program users constitutes a significant part of the FI responsibility and its effectiveness makes a real difference in the success of the FI operations. Proposers must demonstrate how their training plans and execution will support all aspects of the FI operation and how they will provide an integrated approach to training.

## **8) Data Management Support / SURS**

Requirements are described in Exhibit A, Attachment II, Sections T and DD and Exhibit A, Attachment VI, Sections 1 through 5.

Proposers must describe how the data mart(s) and accompanying tools proposed will support Department operational needs for data analysis, routine and ad hoc reporting and sophisticated profiling capability. Proposers must emphasize the on-going technical support required, upgrades to meet new Department needs over the projected operations period and query catalogues to index available queries.

### **9) Provider Support / Provider Relations (PR) Operations**

Requirements are described in Exhibit A, Attachment II, Sections C, O and RR and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must describe their approach to management of the Provider Support business area, including the shared relationship with the Department for maintenance of the PMF and the extensive PR Operation responsibilities for publications and communications, provider training and operation of the Telephone Service Center.

### **10) Benefits Administration**

Requirements are described in Exhibit A, Attachment II, Sections D and FF and Exhibit A, Attachment VI, Sections 4 and 5.

The benefits administration model will drive Replacement System Operations. Proposers must demonstrate that they understand how the model will change the claims processing approach for the new system including the ability to build new benefit plans, make assignment to benefit plans and correctly configure provider contracts, benefit plans and reimbursement rates into a logical model for administration of benefits.

### **11) Claims Adjudication**

Requirements are described in Exhibit A, Attachment II, Sections E, H, I, J, K, L, M, P, Q, CC and MM and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must describe their approach to management of the Claims business area, including correct processing of claims from all programs included under CA-MMIS. The Contractor's adherence to DHCS policy and procedures driving claims entry, adjudication, payment and accounting will determine the success of the Contractor. Proposers should also describe how they will propose to move to transactional (real-time) processing for most claim types after the Replacement System is in operation and the Department has prepared a business model to support real-time adjudication of claims.

### **12) Pharmacy Administration**

Requirements are described in Exhibit A, Attachment II, Section G and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must describe their approach to management of the Pharmacy Administration responsibilities under the Replacement System. Proposers must clearly demonstrate the interrelationship of Pharmacy claims processing, DUR, rebate management and the formulary file in administration of the pharmacy business area as well as their relationship to other related business areas.

Proposers must describe the transition interface between the replacement Pharmacy system, including DUR and rebate management and the remainder of Legacy operations.

### **13) Financial**

Requirements are described in Exhibit A, Attachment II, Sections E and GG, and Exhibit A, Attachment VI, Sections 4 and 5

Proposers must describe how the financial functions in the Replacement System will bridge the output from the Claims business area with required accounting, reporting and report production required by DHCS and the SCO. Proposers also need to show how the financial model in the proposed system can support all required federal reporting, including the CMS-64 and CMS 273 reports.

### **14) Third Party Liability (TPL)**

Requirements are described in Exhibit A, Attachment II, Section U and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must describe how their TPL recovery model will support routine Department activities in identification of program liabilities and enforce Coordination of Benefits (COB) requirements with other payers, pursuant to HIPAA standards. Proposers must also describe their support for the Health Insurance Payment Program (HIPP).

Proposers must describe the transition interface between the replacement TLC system and the remainder of Legacy operations.

### **15) State Controller Office (SCO) Interface**

Requirements are described in Exhibit A, Attachment II, Section E and Exhibit A, Attachment VI, Sections 4 and 5.

Although the SCO interface is a function of the Financial Business area, DHCS has highlighted the sub-business area to emphasize its importance to the successful operation of CA-MMIS.



Proposers must describe how they will support interface files with the State Controllers Office.

#### **16) Service and Treatment Authorization Request (SAR/TAR)**

Requirements are described in Exhibit A, Attachment II, Sections F, R, T and DD, and Exhibit A, Attachment VI, Sections 4 and 5.

Proposers must describe their approach to management of the authorization process for program services, including the TAR, SAR, CMIS and CMSNet processes. Proposers must emphasize how their proposed TAR Replacement System will interface with the Replacement System and how they expect to improve efficiency with upgraded technology and improved business processes.

#### **17) System Maintenance and Modification**

Requirements are described in Exhibit A, Attachment III and Attachment VI, Section 5.

- a) Proposer must describe their approach to system maintenance and modification over the ongoing operations of the Replacement System. The description should detail the expected shift from coding changes to table updates for most of the required maintenance.
- b) Proposers must describe their use of the specified plans covering system maintenance, defect correction, release management, documentation management and software support in managing the responsibilities inherent in maintenance and updating a large, complex system. Proposers must also show how the hands on maintenance and modification will follow the requirements of Exhibit A, Attachment III.

#### **m. Tab 13 - Optional Contractual Services: Submission Requirements**

Requirements are described in Exhibit A, Attachment VII.

Proposer may submit two (2) Optional Contractual Services (OCS) for the Legacy System, and another two (2) OCS for the Replacement System. Any more than two (2) for either Legacy or Replacement will not be considered. Proposer shall submit one (1) Mandatory Legacy OCS as described in Exhibit A, Attachment VII. A detailed narrative of the proposed OCS must be submitted with each Project Plan.

If DHCS decides to implement an OCS that it has accepted, any affected Contractual performance requirements will be adjusted accordingly. Because DHCS may elect to not implement an OCS, each OCS shall be separately priced in the bid. Any price bid for an OCS(s) shall remain valid for thirty-six (36) months following Assumption of Operations. Specific terms and conditions associated with an OCS will be addressed at the time of Contract execution in

Exhibit E, Additional Provisions. DHCS-accepted OCS(s), if proposed for installation at the Contract Effective Date, shall be ready for DHCS acceptance testing during Design, Development and Implementation of the Replacement System. Proposers may propose a delayed implementation date in their OCS plan, but shall allow a minimum of six (6) weeks for DHCS acceptance testing prior to implementation of the OCS.

### **1) Optional Contractual Services Project Plan**

Requirements for the Optional Contractual Services are in Exhibit A, Attachment VII. There are four possible OCSs and one Mandatory Legacy OCS. Each has the same submission requirements.

- a) For each OCS, the Proposer shall:
  - i. Describe the OCS and how it complements the SOW Requirements and improves performance or Contract administration beyond the SOW Requirements.
  - ii. Describe what the Proposer thinks are the benefits obtained by the OCS. Specific attention should be placed on the impact of the OCS on the CA-MMIS system and DHCS.
  - iii. Include an implementation date and schedule.
  - iv. Describe how the OCS will be developed and what resources will be used. The Proposer must demonstrate that the primary SOW will not be adversely affected.
- b) Each OCS shall stand on its own merits.
- c) DHCS may require the Proposer to present an oral presentation of its OCS(s).
- d) After the award of the Contract, presentations to DHCS to further discuss proposed OCS(s), if any, shall be held in Sacramento, California. Any travel costs associated with the presentations shall be borne by the Contractor.

### **n. Tab 14 - Turnover: Submission Requirements**

Requirements are described in Exhibit A, Attachment V.

Proposer must describe in detail the Proposer's activities for the duration of the Turnover Period of the project. The Proposer must organize its responses into the following sections and must fully address all SOW for this Contract period.

### **1) Management Plan**

Requirements are described in Exhibit A, Attachment V. The detailed template for the description of the information required for this submission requirement is listed under Tab 6 – Management Plan. The associated plans should be developed to address the specific needs of the Turnover phase of the Contract. This phase will require a Contract Management Plan to close-out the Contract.

## **2) Project Personnel**

Requirements are described in Exhibit A, Attachment V. The detailed template for the description of the information required for this submission requirement is listed under Tab 6 – Project Personnel. The plan should be developed to address the specific needs of the Turnover phase of the Contract, and ensure that skilled staff is retained until the Contract is fully closed.

## **3) Facilities and Resources**

Requirements are described in Exhibit A, Attachment V. The template for the detailed description of the information required for this submission requirement is listed under Tab 6 – Facilities and Resources. The plan should be developed to address the specific needs of the Turnover phase of the Contract. This phase will require a Plan to close-out the facilities used to support the CA-MMIS Operations.

## **4) Detailed Project Schedule**

Requirements are described in Exhibit A, Attachment V.

Submission requirements for a Detailed Project Schedule were identified above under Tab 6 –Detailed Project Schedule. The requirements should be used to cover the Project Plans required to Turnover the CA-MMIS system to a subsequent FI Contractor.

### **o. Tab 15 - Appendix Section**

Place the following documentation in the Appendix Section of the Proposal in the order shown below.

#### **1) Proof of Corporate Status**

If the Proposer is a Corporation, submit **either** a copy of the proposing firm's most current Certificate of Status issued by State of California, Office of the Secretary of State **or** submit a downloaded copy of the proposing firm's on-line status information from the California Business Portal website of California's Office of the Secretary of State. Include an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of the proposing firm's Bylaws or Articles of Incorporation.

#### **2) Proof of Nonprofit Status**

Nonprofit organizations must prove they are legally eligible to claim “nonprofit” and/or tax-exempt status by submitting a copy of an IRS determination letter indicating nonprofit or 501 (3) (c) tax-exempt status. Submit an explanation if this documentation cannot be supplied.

### **3) An Organization Chart**

The organization chart must show the distinct lines of authority between and among the divisions that will perform the project work and the primary reporting relationships within the Proposer’s organization. Show the relationships between management, key decision makers, supervisory personnel and subcontractors and/or consultants, if any.

### **4) Financial Statements**

Submit copies of financial statements for the past two (2) years or most recent twenty-four (24) month period.

- a) Annual income statement(s), and
- b) Quarterly **or** annual balance sheets.

Audited statements are preferred, but not required. If audited financial statements are supplied, all noted audit exceptions must be explained. DHCS will accept financial statements prepared by a Proposer’s financial accounting department, accounting firm or an auditing firm. DHCS will accept financial statements audited according to either Generally Accepted Accounting Principles (GAAP) or Statutory Accounting Principles (SAP) of the National Association of Insurance Commissioners (NAIC). A statement signed by a Proposer’s Chief Financial Officer certifying that the financial statements are accurate and complete must accompany all financial statements.

### **5) Staff Resumes**

Resume specifications appear in the Project Personnel Section. To the extent possible, resumes should not exceed 1-2 pages in length per person and should not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

### **6) Subcontractor/Consultant Resumes**

Submit a representative resume for each pre-identified subcontractor or consultant activity, if any, as discussed in the Project Personnel Section. To the extent possible, resumes should not exceed 1-2 pages in length per classification or job duty and should not include personal information such as a social security number, home address, home telephone number, home email address, marital status, sex, birth date, age, etc.

## **7) Subcontractor/Consultant Letters of Agreement**

For each pre-identified subcontractor and consultant that will be used to perform services under the resulting Contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or consultant, indicating his or her acknowledgement of being named as a subcontractor or consultant, their availability to work on this project and acknowledgement that they have read or been made aware of the proposed Contract terms, conditions and exhibits. Include an explanation if a letter of agreement cannot be obtained from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

## **8) Attestations**

- a) An attestation that this Contract will be a high priority to the Proposer and that the Proposer is committed to supplying any necessary resources to meet its Contractual obligations.
- b) An attestation from each subcontractor (including consultants), if any, that this Contract is of high priority to the subcontractor and that the subcontractor is committed to supplying any necessary resources to assure full performance of the Contract.
- c) An attestation from each parent organization, if any, that this Contract is of high priority to the parent organization and that the parent organization is committed to supplying any necessary resources to assure full performance of the Contract.

## **9) Conflict of Interest Compliance Certificate**

- a) Any firm that intends to submit a Proposal is required to submit Attachment 15 certifying whether the proposing firm:
  - i. Is currently involved with or connected to any Contractor or subcontractor (including consultant) that is Contracted with any Medi-Cal Managed care health plan, provider, or billing agent for Medi-Cal Services, and;
  - ii. Understands that the conflict of interest requirements shall remain in effect for the entire life of the contract.
- b) If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of DHCS, before the award of the Contract, the conflict will be grounds for deeming a Proposal nonresponsive.
- c) Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in Attachment 15. Complete, sign, and attach any required documentation according to the

instructions on the attachment. **Place Attachment 15 and any accompanying documentation in the Appendix Section of the Proposal.**

**p. Tab 16 - Forms Section**

Complete, sign, and include the forms/attachments listed below. When completing the attachments, follow the instructions in this section and any instructions appearing on the attachment. After completing and signing the applicable attachments, assemble them in the order shown below.

<b>Attachment #, Name, or Documentation</b>	<b>Instructions</b>
2 - Required Attachment / Certification Checklist	<ol style="list-style-type: none"> <li>1) Check each item with “Yes” or “N/A”, as applicable, and sign the form. If necessary, explain the choices.</li> <li>2) If a Proposer marks “Yes” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a “qualified response”. Any “qualified response”, determined by DHCS to be unsatisfactory or insufficient to meet a requirement, may cause a Proposal to be deemed nonresponsive.</li> </ol>
2a Required Attachment Certification Checklist Cost Proposal	<ol style="list-style-type: none"> <li>1) Check each item with “Yes” or “N/A”, as applicable, and sign the form. If necessary, explain the choices.</li> <li>2) If a Proposer marks “Yes” or “N/A” and makes any notation on the checklist and/or attaches an explanation to the checklist to clarify their choice, DHCS considers this a “qualified response”. Any “qualified response”, determined by DHCS to be unsatisfactory or insufficient to meet a requirement, may cause a Proposal to be deemed nonresponsive.</li> </ol>
3 - Business Information Sheet	Completion of the form is self-explanatory.
4 - Client References	Identify three (3) clients serviced within the past five years that can confirm their satisfaction with the Proposer’s services and confirm that the Proposer provided timely and effective services or deliverables. If possible, identify clients whose needs were similar in scope and nature to the services sought in this RFP. List the most recent first.

Attachment #, Name, or Documentation	Instructions
5 - RFP Clause Certification	Complete and sign this form indicating a willingness and ability to comply with the Contract certification clauses appearing in the RFP section entitled, "Bid Requirements and Information," subsection "Bidding Certification Causes".
6 - CCC 307 – Certification	Complete and sign this form indicating a willingness and ability to comply with the Contractor Certification Clauses appearing in this Attachment. The attachment supplied in this bid represents only a portion of the Contractor information in this document. Visit this web site to view the entire document: <a href="http://www.ols.dgs.ca.gov/Standard+Language/default.htm">http://www.ols.dgs.ca.gov/Standard+Language/default.htm</a> .
7 - Payee Data Record	Complete and return this form, <u>only</u> if the proposing firm has not previously entered into a Contract with DHCS. If uncertain, complete and return the form.
8 - Follow-on Consultant Contract Disclosure	Complete and sign this form. If applicable, attach to this form the appropriate disclosure information.
9a - Actual DVBE Participation and applicable DVBE certification(s) <b>and/or</b> 9b - Good Faith Effort with required documentation	Read and carefully follow the completion instructions in Attachment 9. Attach the documentation that is required for the form(s) that are submitted. One and/or both of these two forms may be required. <b>Submission of the forms identified here only applies to Contract awards that will equal \$10,000 or more for the entire Contract life.</b>
10a-Non-Small Business Subcontractor Preference Request  10b-Small Business Subcontractor / Supplier Acknowledgement	<b>Submission of these forms is optional.</b> Read and carefully follow the completion instructions in Attachments 10, 10a, and 10b. Complete and return Attachments 10a and 10b <u>only</u> if the bidding firm is a not a certified small business but is requesting a subcontractor bidding preference by committing to use one or more certified small business subcontractors for an amount equal to at least 25% of the total bid price.



<b>Attachment #, Name, or Documentation</b>	<b>Instructions</b>
11 - Target Area Contract Preference Act Request	<b>Submission of this form is optional.</b> Complete and return this form, <u>only</u> if the proposing firm is based in California, <u>and</u> the total bid price is \$100,000 or more, <u>and</u> DHCS has not pre-set any part of the work location, <u>and</u> the Proposer wishes to apply for TACPA preference.
12 - Enterprise Zone Act (EZA) Preference Request	<b>Submission of this form is optional.</b> Complete and return this form, <u>only</u> if the proposing firm is based in California, <u>and</u> the total bid price is \$100,000 or more, <u>and</u> DHCS has not pre-set any part of the work location, <u>and</u> the Proposer wishes to apply for EZA preference.
13 – “Voluntary” Letter of Intent	This is a non-binding Letter of Intent whose purpose is to assist DHCS in determining the staffing needs for the Proposal evaluation process and to improve future procurements (refer to Section H.1).
14 – Request for Inclusion on Mailing List	This is a voluntary request form, which will allow DHCS to continue to provide your firm with the automatic updates to this RFP (refer to RFP Section H.3).
15- Conflict of Interest Compliance Certificate	<p>Proposers must assess their own situation according to the Conflict of Interest Compliance Certification information in this attachment. Complete, sign, and attach any required documentation according to the instructions in the attachment.</p> <p>In the event a Proposer has a suspected or potential conflict relationship, the Proposer must provide a written statement to DHCS that describes what relationship it has with the entity in question, and its plan for protecting DHCS from any potential conflict or negative impact.</p>
16-1 – Takeover Bid Price Form	Completion of the form is self-explanatory.
17 – Cost Proposal Form	Completion of the form is self-explanatory.
18 – Bid Document Certification	Complete and sign this form indicating a willingness and ability to comply with the Contractual Bidding Certification.
19 – Small Business Preference	Complete and sign this form if applicable.
20 – Evaluation Criteria	For the purposes of the evaluation, please read and carefully follow the mandatory requirements and services listed
21 – Darfur Contracting Act Certification	Completion of the form is self-explanatory.

**M. Cost Proposal Format and Content Section****1. General Instructions**

- a. Instructions for completing the Price Bid Sheets (Attachments 16-1 through 16-26) will be included as Attachment 16 to this RFP.
- b. Each firm or individual shall submit only one (1) Cost Proposal. For the purpose of this paragraph, “firm” includes a parent corporation or firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one (1) Cost Proposal, DHCS will reject all proposals submitted by that firm or individual.
- c. Develop Cost Proposal by following all RFP instructions and/or clarifications issued by DHCS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.
- d. Before submitting the Cost Proposal, seek timely written clarification of any requirements or instructions that you believe to be vague, or unclear, or that you do not fully understand.
- e. Arrange for the timely delivery of your Cost Proposal to the address specified in this RFP. Do not wait until shortly before the deadline to submit the Cost Proposal. The Cost Proposal is to be submitted at the same time the Narrative Technical Proposal and Demonstration of Claims Systems Operations documentation are submitted.
- f. DHCS requires the submission of a Cost Proposal for all major areas that are bid as listed in RFP Attachment 16, Cost Proposal Bid Price Forms.
- g. The OCS bid prices shall not be included in the total bid price.
- h. A separate Transmittal Letter is required for the Cost Proposal. The Transmittal Letter should be a business letter using a standard business format from the legal entity that would be the Contractor. The purpose of the letter is to transmit and legally bind the Proposer to Cost Proposal. The letter should be brief and signed by a person(s) authorized to legally bind the Proposer to the Cost Proposal. The letter must include:
  - 1) A certification that the Proposer has not and shall not disclose any information regarding the Cost Proposal to any person or entity outside of the Proposer business;
  - 2) The Proposer must also certify that it did not and will not make any effort to induce any person or entity to bid or not bid or bid at or above a certain price or rate;

- 3) Contain a statement that the Proposer is aware that all prices contained in the Cost Proposal are fixed prices;
- 4) The letter should state that Attachments 16-1 to 16-26 are complete and provided in a separate sealed package.

**Please note that the Transmittal Letter must not contain any financial information regarding the bid price(s) contained in the Cost Proposal.**

- i. The Cost Proposal shall be separated into two (2) separate packages when submitted to DHCS by the Proposers:
  - 1) The first package shall be a separate sealed envelope containing the Cost Proposal Transmittal Letter.
  - 2) The second package shall be in a sealed box containing the Cost Proposal Bid Price Forms as detailed in RFP Attachment 16.

## **2. Format Requirements**

- a. Submit one (1) original set, five (5) copies and one (1) CD-ROM of the Cost Proposal bid price forms as follows:

**Note:** The CD-ROM version must be identical to the original hard copy of the Cost Proposal.

- 1) Assemble the original set and five (5) copies of the Cost Proposal bid price forms as instructed in RFP Attachment 16. Clearly label the original as "Original Set".
- 2) The original set and five (5) copies of the Cost Proposal bid price forms must be submitted in a separate package apart from the Narrative Technical Proposal under sealed cover, with the signature of a person(s) authorized to legally bind the Proposer (Contractor).
- 3) Proposers shall also submit one (1) copy of the Cost Proposal bid price forms on CD-ROM. The CD-ROM shall be in Microsoft Excel spreadsheet format. The Cost Proposal CD-ROM must be packaged separately from the Narrative Technical Proposal CD-ROM.
- 4) The Cost Proposal bid price forms listed under RFP Attachment 16 must be in separate package and distinctly marked as follows on the exterior of the package:

COST PROPOSAL  
FOR THE  
CALIFORNIA MEDICAID MANAGEMENT  
INFORMATION SYSTEM – FISCAL INTERMEDIARY  
RFP #08-85022

- 5) If you have multiple Cost Proposal packages, each package must be identified, (e.g., Box 1 of 12, Box 2 of 12, etc.).
- b. Format the Cost Proposal as follows:
    - 1) Enter your costs on the bid price forms. OMCP will provide Proposers a disc containing the bid price forms that contain the embedded formulas on a protected disc. Proposers may request the disc in Excel format by contacting OMCP at (916) 552-8006. DHCS will provide these discs to Proposers at no cost.
    - 2) Hard copy pages must be printed single-sided on white bond paper.
    - 3) Bind the Cost Proposal bid price forms in a way that enables easy page removal. The Proposal must be submitted three-hole punched in loose leaf or three ring binders.
  - c. Certain documents that must be submitted as part of the Cost Proposal need a signature. Required signature(s) must be signed in blue ink.
    - 1) Have the person who is authorized to bind the Proposer sign each original Cost Proposal document or bid price form that requires a signature. All signatures should be in blue ink and signature stamps are not acceptable.
    - 2) Place the originally signed documents in the Cost Proposal set marked "Original Set".
    - 3) The signed original RFP documents in the original set may be photocopied for placement in the five (5) copies.

NOTE: The Bid Document Certification Form must be signed indicating the willingness and ability to comply with the Contracting Bidding Certification.

### 3. Escrow Bid Documents

#### a. Scope

Proposers shall be required to submit one (1) copy of all documentary information developed by the Proposer in preparation of bid prices for this procurement. **This documentary information shall be submitted within three (3) calendar days after the Contract is signed.** This material shall be known as the Escrow Bid Documents and shall be held in escrow for the duration of the Contract.

Escrow Bid Documents may be required to support resolution of disputes, settlement of claims, Change Order pricing and cost section requirements relative to the price bid to DHCS in the CA-MMIS Contract. Escrow Bid Documents may also be used in the following circumstances:

- 1) In the event that additional services of the contractor are at a level unanticipated by the original RFP;
- 2) In the event that fewer contract services are required, (such as a significant reduction in the Medi-Cal program);

Additionally, this information could be used to support the pricing structure in the event of a regulatory agency finding where examination of the pricing structure is required.

b. Format and Content

Proposers may submit Escrow Bid Documents in their usual cost estimating format. However, for each service bid, Proposers are required to present a detailed schedule of its cost, expenses and assumptions used to develop the bid price for each year the service is bid. The Escrow Bid Documents should present a picture explaining how the Proposer arrived at the bid price presented to DHCS. The document should explain what elements were identified in arriving at the price presented. Units of production, hourly rates, salaries or percentage of salaries apportioned to the activity bid, machine hours, direct material cost, any fixed cost, mixed cost, variable cost and overhead/indirect cost should be identified in the presentation of the bid development. The breakdown of each cost element must be appropriate to the element being identified.

The price/cost of each element must be clearly stated.

The level of detail used to establish all cost elements shown must be relevant to the significance of the cost identified and must be reflective of your bid.

Proposers should identify each cost as either a variable, fixed or mixed cost. Proposers should state any assumption used in identifying a cost as variable, fixed or mixed. If a Proposer chooses to identify a cost as mixed, please explain in full detail why the cost is believed to be both a fixed and variable cost.

When identifying a fixed cost Proposers should identify the asset(s) and state the percentage of usage that applies to the cost element. For example, if the building for the telephone center contains both the telephone center and offices for the management staff of the project, with the telephone center using 70% of the floor space and the management staff using 30% of the floor space, then the fixed cost element of the bid price for the telephone center should show 70% of the building as a fixed price element. Additionally, in the example, the remaining 30 % of the building cost would be shown in the overhead cost of the organization.

Proposers should identify all major fixed assets and discuss what effect either the contraction or expansion of the Contract would have on fixed assets. Proposers should include a discussion of how fixed cost might be reduced in the event of a contraction and should identify what volume of expansion might require additional fixed asset(s). In the event of an expansion of the Contract where additional fixed assets are required, Proposers can expect to be required to

support any increase in fixed cost regarding the expansion with documentation showing the acquisition or use of those fixed assets.

If any significant asset is identified by the Proposer that is shared with any project outside the SOW of this project, it must clearly be documented and demonstrated that the cost apportioned to the CA-MMIS is appropriate. For purposes of identifying a “significant asset”, report on any shared asset where the cost represents 25 % or more of the cost of the total bid amount for the year. Also, report on the asset if the total cost to the bid amount is greater \$100,000.

Do not report fixed assets that would normally be classified as part of overhead cost. For example, the fixed cost associated with payroll billing might have expenses that would meet the greater than \$100,000 clause, however, as a normal and customary expense of overhead this expense would not be identified separately.

Corporate overhead must be based on a rational distribution of corporate overhead expenses. Those costs must not be disproportional to the CA-MMIS Contract. Overhead cost must be shown to be allocated on rational basis that is applied to all similar contracts or operations and can be substantiated upon request.

An examination of any allocated expenses should not show that the allocation exceeds the total actual expense of the allocated expense. (Allowing for any immaterial rounding issues.)

c. Ownership and Confidentiality

The Escrow Bid Documents are and will always remain the property of the Proposer, subject only to joint review by the DHCS and the Proposer.

DHCS stipulates and expressly acknowledges that the Escrow Bid Documents constitute trade secrets, and are proprietary and confidential. This acknowledgment is based on DHCS express understanding that the information contained in the Escrow Bid Documents is not known outside the Proposer’s business, is known only to a limited extent and only by a limited number of employees of the Proposer, is safeguarded while in the Proposer’s possession, is extremely valuable to the Proposer, and could be extremely valuable to the bidder’s competitors by virtue of it reflecting the Proposer’s contemplated techniques of operation. DHCS acknowledges that the Proposer expended substantial sums of money in developing the information included in the Escrow Bid Documents and further acknowledges that it would be difficult for a competitor to replicate the information contained therein. DHCS further acknowledges that the Escrow Bid Documents and the information contained therein are made available to DHCS only because such action is an essential element of the Proposer’s responsibility. DHCS acknowledges that the Escrow Bid Documents include a compilation of information used in the Proposer’s business, intended to give the Proposer an opportunity to obtain an advantage over competitors who do not know of or use the contents of the documentation.

DHCS agrees to safeguard the Escrow Bid Documents and all information contained therein, against disclosure to the fullest extent permitted by law.

d. Storage

The Escrow Bid Documents shall be placed in escrow for the life of the Contract, in an institution acceptable to both DHCS and the Proposer. The cost of storage shall be the responsibility of the Proposer.

e. Examination of Escrow Bid Documents

DHCS requires that a narrative of facts and information be included in the Escrow Bid Documents as required cost justification. While these issues may be explained in the normal course of preparing the Escrow Bid Documents, DHCS wishes to be assured that these points are discussed and explained, if applicable. In addition to any other information already supplied, the narratives are to explain the general structure, business practices and assumptions made in preparing the Cost Proposal, as applicable. Include or identify as provided any source documentation required to support the narrative.

DHCS reserves the right to examine the Escrow Bid Documents (in conjunction with the Proposer) for compliance with the reporting requirements associated with those documents. The Contracting Officer and the Proposer shall each designate, in writing to the other party and a minimum of five (5) State work days prior to examination, representatives who are authorized to examine the Escrow Bid Documents. No other person shall have access to the Escrow Bid Documents.

DHCS does not intend to review all Escrow Bid Documents submitted, although DHCS does reserve the right to do so. To facilitate the review (limited or broader in scope), the Escrow Bid Documents must be grouped and placed in a separate sealed container. The container shall be clearly marked on the outside with the Proposer's name, date of submittal, procurement identification, and the words **"Escrow Bid Documents."**

The Escrow Bid Documents shall be accompanied (with an index packaged separately) to the inventory of the contents of the documents, and the Bid Documentation Certification Attachment 18, signed by the individual authorized by the Proposer to execute the bid price proposal.

Narrative information should be included in the package to which that narrative information most closely relates. For example, if the narrative information relates to allocated expenses, assets or cost, the information should be placed in the envelope that seems most relevant to information provided. For audit purposes, only those envelopes DHCS chooses to audit shall be opened.

Ten (10) State work days after Contract Execution Date, the Proposer must be ready to review the Escrow Bid Documents along with the presence of DHCS, prior to placing the documents in escrow. This is to assure conformance with all requirements and to verify completeness of the information included. This review

should be considered a condition of contract acceptance. Should the reviewed documents fail to meet a level of acceptance agreeable to DHCS, DHCS reserves the right to review additional Escrow Bid Documents up to and including all Escrow Bid Documents submitted. If material deficiencies are noted, including the level of detail provided, the Proposer shall be required to correct all deficiencies to the satisfaction of DHCS within ten (10) State work days. Failure to correct the deficiencies shall be deemed grounds to find the Contractor in breach of contract at which time DHCS will invoke its right to collect on the Letters of Credit and award the contract to the second highest scoring proposal.

## N. Proposal Submission

### 1. General Instructions

- a. Mail or arrange for hand delivery of all the parts of your Proposal (Claims Operation System Processing Runs, Narrative Technical and Cost) to DHCS, OMCP. Do not wait until shortly before the deadline to submit your Proposal. Proposals may not be transmitted by fax or email.
- b. OMCP must receive all parts of your Proposal, regardless of postmark or method of delivery, by **4:00 p.m. Pacific Time on June 15, 2009.**
- c. Late Proposals will not be reviewed or scored. Proposals received after the deadline will be returned to the Proposer.
- d. It is the sole responsibility of the Proposer to ensure that the OMCP receives Proposals by the required time and date.
- e. Label and submit the Proposal using one (1) of the following methods.

<b>Hand Delivery or Overnight Express:</b>	<b>U.S. Mail:</b>
Proposal RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement OMCP Mail Station 4200 1501 Capitol Avenue, Suite 71.3041 Sacramento, CA 95814	Proposal RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement OMCP Mail Station 4200 P.O. Box 997413 Sacramento, CA 95899-7413

### f. Proposer Warning

- 1) DHCS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If the Proposals are mailed, consider using certified or registered mail and request a receipt upon delivery. If Proposals are



delivered by an express mail service, these deliveries are delivered to the DHCS loading dock and may also add 48 hours to the delivery time.

- 2) For hand deliveries, please make an appointment with the OMCP offices noted above to have your packages delivered. Allow sufficient time to locate on street parking and to sign-in at the security desk. Ask security personnel to call OMCP at (916) 552-8006 to arrange for Cost Proposal pickup and receipt issuance. Proposers are warned not to surrender their Proposals in the care of a person other than OMCP staff.
- 3) Proposers are reminded that each of the three (3) parts of the Proposal (Narrative Technical Proposal [including the Claims Processing System Runs], the Cost Proposal Transmittal Letter and Cost Proposal) are to be packaged separately.

## **2. Proof of Timely Receipt**

Upon delivery of the complete Proposal to the OMCP, each Proposer will be issued a receipt indicating the date and time the Proposal was received. OMCP staff will log in your Proposal and attach a date/time slip or bid receipt to each package/envelope received. If a Proposal envelope or package is hand delivered, OMCP staff will give the proof of receipt to the hand carrier. If a Proposal envelope or package is mailed, the OMCP staff will mail a receipt to the Proposer.

To be timely, DHCS' OMCP must receive each Proposal at the stated delivery address **no later than 4:00 p.m.** on the Proposal submission due date. Neither delivery to the department's mailroom, or to any other DHCS program, or a U.S. postmark will serve as proof of timely delivery.

DHCS will deem late Proposals nonresponsive.

## **3. Proposer Costs**

Proposers are responsible for all costs of developing and submitting a Proposal. Such costs cannot be charged to DHCS or included in any cost element of a Proposer's price offering.

## **O. Evaluation and Selection**

A multiple stage evaluation process will be used to review and/or score Narrative Technical Proposals. A separate evaluation committee will be used for all stages during the evaluation and selection process. The evaluation committee is comprised of four (4) groups:

The **Preliminary Review Committee** (PRC) consists of team leads from OMCP and FI-Medicaid Management Information System (FI-MMIS) and conducts the Stage 1 review.

The **Evaluation Scoring Committee** (ESC) consists of Medi-Cal program staff, and staff from other State agencies with appropriate expertise. The ESC conducts the review of the proposals.

The **Rating Review Committee** (RRC) consists of OMCP management staff, the Director of the FI-MMIS project and members of the PRC. The RRC will interact with the ESC throughout the evaluation process. In fulfilling its functions, the RRC may consult with any appropriate individuals within DHCS, other State departments, or consultants.

The **Executive Review Committee** (ERC) consists of DHCS Executive management officials. The ERC acts as a final decision-making authority for Proposal evaluation issues without knowledge of any bidder to which the issue applies. The ERC assures all appropriate processes have been followed. Additionally, the ERC may seek independent review or advice from individuals, including internal auditors, from within DHCS or elsewhere regarding issues including, but not limited to, procurement policy matters, Narrative Technical Proposal and/or Cost Proposal deficiencies, and acceptability. Finally, the ERC provides final approval of the procurement process in order to determine the awardee.

DHCS internal Audits & Investigations Office performs a review of every procurement. The purpose of the review is to assure each Proposer that the requirements of the RFP have been followed exactly and that the evaluation process was conducted in the manner prescribed in the RFP. In some cases, two (2) reviews are performed – one (1) immediately upon conclusion of the scoring of the Narrative Technical portion of the Proposal and one upon the conclusion of the scoring of the Cost Proposal. DHCS will not proceed to the opening of the Cost Proposal until the review of the Narrative Technical Proposal is complete. An Intent to Award the Contract is not released until the ERC is informed of the results of each review and approves the release of the Intent to Award.

DHCS will reject any Proposal that is found to be nonresponsive at any stage of the evaluation. Pursuant to Public Contract Code 10305, DHCS will only make opened bid components available for public inspection. Only upon a court order will DHCS make unopened bid components available for public inspection.

#### **1. Stage 1 – Required Attachment / Certification Checklist Review for the Narrative Technical Proposal (Attachment 2)**

- a. Once any bid component is opened, it will be made available for public inspection pursuant to Public Contract Code 10305. At the conclusion of the entire procurement process, to include a Protest, all unopened bid components will be confidentially destroyed or, if requested, returned to the Proposer at its expense.
- b. Shortly after the proposal submission deadline, the PRC will convene to review each Narrative Technical Proposal for timeliness, correct packaging, completeness and initial responsiveness to the RFP requirements. This stage includes the Demonstration of Claims System Operation Runs. This is a pass/fail evaluation.
- c. In this review stage, DHCS will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment / Certification Checklist to determine if the Proposer's claims are accurate.
- d. If deemed necessary, DHCS may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a

Proposer to confirm the claims made on the Required Attachment / Certification Checklist and to ensure that the Proposal is initially responsive to the RFP requirements.

- e. If a Proposer's claims on the Required Attachment / Certification Checklist cannot be proven or substantiated, the Proposal may be deemed nonresponsive and rejected from further consideration.
- f. Narrative Technical Proposals shall not include any costs, prices or pricing information related to the administration of the Contract. If such information is submitted, it may constitute grounds for rejection of the Narrative Technical Proposal as nonresponsive.
- g. The RRC will make determinations regarding a Narrative Technical Proposal's deficiencies and acceptability. A determination of acceptability will be made according to the following definition:

Acceptable – Narrative Technical Proposals that have passed all criteria and have passed the Stage 1 requirements.

Unacceptable – Narrative Technical Proposals that have failed to pass one (1) or more criteria.

- h. Any Narrative Technical Proposal that passes the Stage 1 review will be subjected to Stage 2, which includes a pass/fail component and a final weighted point-scoring component of the Narrative Technical Proposal.

## **2. Stage 2 – Narrative Technical Proposal Evaluation/Scoring**

Response to Operations Requirements/Services in Exhibit A, Attachments I-VII is mandatory. A Pass/Fail evaluation will be used for written proposal responses for General Proposal Requirements, Overall Project Plan and Narrative, Legacy System Takeover and Legacy System Operations to substantiate that the Requirement/Service responses validate responsiveness. If the Proposer does not agree to provide a mandatory service or comply with a mandatory requirement, the proposal will be given a 'Fail' and considered non-responsive. No further evaluation will be performed. If the Proposer's proposed solution for a mandatory requirement/service is included but fails to adequately meet the requirement/service, the ERC will determine if it is a material deviation. If the deviation is determined to be material, the proposal will be considered non-responsive and excluded from further consideration.

For the purposes of the evaluation, the requirements and services listed in Attachment 20 indicate a requirement or service that is mandatory. A deviation, if not material, may be waived by the State. A minor deviation from a requirement/service is material if the response is not in substantial accord with the RFP requirements/services, provides an advantage to one (1) Proposer over other Proposers, or has a potentially significant affect on the delivery, quantity or quality of items bid, amount paid to the Proposer, or on the cost to the State. Material deviations cannot be waived.

DHCS may elect to identify features of each Narrative Technical Proposal that will not be accepted and/or scored as part of the procurement evaluation process. If this occurs, all Proposers who have advanced to Stage 2 will be notified at the conclusion of the evaluation which feature(s) DHCS has elected not to evaluate.

- a. Proposals that appear to meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to the ESC.

The ESC will review and evaluate the Pass/Fail sections of the proposals and will evaluate and numerically score the scored sections of the proposals based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.

- b. Stage 2 requirements that will be subject to the pass/fail review:

<b>Tab Reference</b>	<b>Section Reference</b>	<b>Rating Category</b>	<b>Compliance</b>
<b>4</b>	<b>A.</b>	<b>General Proposal Requirements</b>	<b>Pass/Fail</b>
<b>5</b>	<b>B.</b>	<b>Overall Project Plan and Narrative</b>	<b>Pass/Fail</b>
<b>6</b>	<b>C.</b>	<b>Legacy System Takeover</b>	<b>Pass/Fail</b>
<b>7</b>	<b>D.</b>	<b>Legacy System Operations</b>	<b>Pass/Fail</b>

- c. DHCS will use a point scoring process to assign points to the remainder of each Proposer's Narrative Technical Proposal. The point scoring process involves the following steps:

- 1) Evaluators from the ESC assigned to each criterion will score and comment on each criterion.
- 2) The proposer accumulating the most points from all categories throughout this phase will receive the total points possible.
- 3) ESC scores are reviewed by the RRC. The RRC may require further action by the ESC, or through group reconciliation of scores, may modify the recommended score. In fulfilling its functions, the RRC may consult with the ERC.

- d. DHCS will use a zero (0) to four (4) point scoring system to assign points. Following this chart is a list of the considerations that evaluators for the ESC will take into account when assigning individual points to a Narrative Technical Proposal.

	<b>Interpretation</b>	<b>General basis for point assignment</b>
<b>0</b>	<b>Inadequate</b>	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
<b>1</b>	<b>Barely Adequate</b>	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), are inconsequential and acceptable.
<b>2</b>	<b>Adequate</b>	Proposal response (i.e., content and/or explanation offered) is adequate or meets DHCS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable.
<b>3</b>	<b>More than Adequate</b>	Proposal response (i.e., content and/or explanation offered) is more than adequate or fully meets DHCS' needs/requirements or expectations.
<b>4</b>	<b>Excellent or Outstanding</b>	Proposal response (i.e., content and/or explanation offered) is well above average or exceeds DHCS' needs/requirements or expectations. Proposer offers one or more enhancing feature, methods or approaches that will enable performance to exceed DHCS' basic expectations.

- e. In assigning points for individual rating factors, ESC raters may consider issues including, but not limited to, the extent to which a proposal response:
- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or
  - 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or
  - 3) Demonstrates that the Proposer understands DHCS' needs, the services sought, and/or the Contractor's responsibilities, and/or
  - 4) Illustrates the Proposer's capability to perform all services and meet all SOW Requirements, and/or
  - 5) If implemented, will contribute to the achievement of DHCS' goals and objectives, and/or
  - 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).

- f. Proposals that have been accepted for a Stage 2 review will have the following sections scored on a scale of zero (0) to four (4) points:

Tab Reference	Section Reference	Rating Category	Points	x	Weight	=	Total Possible
8	E	Legacy Operations – Expansion Items/Systems Group	600	x	13%	=	78
9	F	Legacy Operations – Systems Enhancements	600	x	9.5%	=	57
10	G	Planning and DDI for Replacement System	600	x	47.5%	=	285
11	H	Transition from Legacy to Replacement	600	x	15%	=	90
12	I	Replacement System Operations	600	x	10%	=	60
13	J	Optional Contractual Services -	600	x	2%	=	12
14	K	Turnover	600	x	3%	=	18
					100		600

- g. Within each sub-section of the scored sections of the RFP (Sections E through K, as shown above), the maximum score for each section will be rounded (using the common method) to four decimal places, if the score exceeds four decimal places.

Example for illustration purposes:

		Score	Maximum Points		Weight	=	Maximum Score
E.1	Contract Management	0-4	16	X	0.313	=	5.0

Proposer's Score = 3.13421357

Proposer's Score Rounded = 3.1342

- h. The Proposal offering the highest total Narrative Technical Proposal score will earn 600 (the maximum) points. The remaining Proposals earn Narrative Technical Proposal points through the conversion formula shown below. Final calculations shall result in numbers rounded to two (2) decimal places (using the common method).

$(A / B) \times 600 = \text{Final Narrative Technical Proposal Score for the Proposer}$

*Where*

A = Actual points awarded to the Proposer

B = Highest points awarded to a Proposer

Example for illustration purposes:

Maximum Score = 600 points

Highest Score earned 550.3456 points.

$500.2891 \text{ (Proposer's Score)} \div 550.3456 \text{ (Highest Score)} = 0.9090$

$0.9090 \times 600 \text{ points} = 545.40 \text{ (Proposer's Narrative Technical Score)}$

### **3. Stage 3 - Attachment / Certification Checklist Review for the Cost Proposal (Attachment 2a)**

- a. Shortly after approval is received from the ERC to open the Cost Proposals, the PRC will convene to open and review each Cost Proposal for completeness and compliance with instructions. Each Cost Proposal shall be reviewed to ensure that the Cost Proposal is complete, the calculations are accurate and the Proposer states its awareness that all prices contained in its proposal are fixed. Submission of a complete Cost Proposal in DHCS' prescribed format is mandatory. If a Proposer fails to comply, the Cost Proposal may be determined nonresponsive. Errors in Cost Proposals will be handled in the manner prescribed by DHCS.
- b. In this review stage, DHCS will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment / Certification Checklist to determine if the Proposer's claims are accurate, including a review to assure that the Cost Proposal contains nothing that changes how the Contract payment structure operates or the Proposer's demonstrated ability to perform the Contract.
- c. If a Proposer's claims on the Required Attachment / Certification Checklist cannot be proven or substantiated, the Proposal may be deemed nonresponsive and rejected from further consideration.
- d. The RRC will make determinations regarding a Cost Proposal's deficiencies and acceptability. A determination of acceptability will be made according to the following definition:

Acceptable – Cost Proposals that have passed all criteria and have passed the Stage 3 requirements.

Unacceptable – Cost Proposals that have failed to pass one (1) or more criteria.

- e. Any Cost Proposal that passes the Stage 3 review will be subjected to Stage 4, Determining Cost Proposal Points Earned.

#### **4. Stage 4 – Determining Cost Proposal Points Earned**

- a. Proposers whose proposals have passed the Stage 3 review will have their Cost Proposal scored and/or evaluated according to the process described herein.
- b. DHCS requires all Cost Proposals to be reflective of the estimated cost of performing the work involved. Cost Proposals with zero (0) or nominal amounts may be rejected.
- c. The Cost Proposal evaluation will include the following:
  - 1) The Cost Proposal will be evaluated within individual cost component categories as shown in the Price Bid Sheet chart below. The combined cost component categories within the scored Cost Proposal sections total to a maximum of 400 points, representing 40% of the Total Proposal score. Cost scores shall be calculated to at least six (6) decimal places with the Final Cost Proposal scores rounded to four (4) decimal places.
  - 2) The cost component categories and point distributions are provided below:
  - 3) Price Bid Sheets are located as Attachments 16-1 through 16-23 to this RFP.



	<b>Components</b>	
16-1	Takeover Price Under Takeover Price Cap (Forty million (\$40,000,000) includes Equipment	Pass/Fail

<b>Price Bid Sheet</b>	<b>Price Bid Sheets</b>	<b>Total Possible Points</b>
16-2	Legacy Expansion Items	7.000000
16-3 to 16-12, 16-21, 16-22, & 16-23	Base Volume Method of Payment (BVMP)	200.000000
16-13	Field Office Automation Group (FOAG)	39.500000
16-14	Retrospective DUR	1.000000
16- 15	Change Orders	3.000000
16-16	System Group	45.000000
16-17	Design, Development, Implementation	55.000000
16-18	System Enhancements	9.000000
16-19	Turnover	.500000
16-20	Total Price Bid	40.000000
	<b>Price Bid Sheet Totals</b>	<b>400</b>

- d. The method for determining points awarded for the cost section is based on the lowest bidder receiving the maximum points allowed for the bid price under consideration. All other non-lowest Proposers shall receive a proportional number of points based on their bid price when compared to the lowest bid price. This is true for all base volume levels (not including plus and minus level scoring which is discussed below). Base volume score computations can be expressed mathematically as below:

Lowest Bid Price ÷ Bidder's Price = Percentage of Maximum Points Available

Percentage of Maximum Points Available X Maximum Points Available = Points Earned

Points are assigned by DHCS for each price to be evaluated and may vary from Phase to Phase or Service to Service.

Calculation Example (Single Price per Phase):

Proposer A bids \$800,000 for Phase 1 for Service X.  
Proposer B bids \$1,000,000 for Phase 1 for Service X.  
Maximum Points Available 50 Points

Proposer A Earns  $\$800,000 \div \$800,000 = 100\% \times 50 \text{ Points} = 50 \text{ Points}$

Proposer B Earns  $\$800,000 \div \$1,000,000 = 80\% \times 50 \text{ Points} = 40 \text{ points}$

This is repeated for each phase and extension phase bids.

1) Determining Cost Proposal Points Earned When Using Base Volume Method of Payment (BVMP)

BVMP consist of three bid elements, Plus Level, Minus Level and Base Volume Level. Plus and Minus level bids should be carried to a maximum of four (4) decimal places. Base volume bids should be carried to a maximum of two (2) decimal places. There may be multiple plus and/or minus levels within the same phase. All Base Volume levels shall be evaluated based on the lowest bid as compared to the bidder's price with the resulting factor multiplied by the points available for the base volume under evaluation.

Example

Calculation Example (Single Price per Phase):

Proposer A bids \$800,000 for Phase 1 Base Volume for Service X.  
Proposer B bids \$1,000,000 for Phase 1 Base Volume for Service X.

Maximum Points Available 50 Points

Proposer A Earns  $\$800,000 \div \$800,000 = 100\% \times 50 \text{ Points} = 50 \text{ Points}$  for their base volume bid for Phase 1 Service X.

Proposer B Earns  $\$800,000 \div \$1,000,000 = 80\% \times 50 \text{ Points} = 40 \text{ Points}$  for their base volume bid for Phase 1 Service X

This is repeated for each phase and extension phase bids.

Points assigned within the base volume may vary from phase to phase .

2) Plus and Minus Level Evaluation

The evaluated prices of the plus or minus levels are calculated in similar manners but points are awarded in a much different manner. They both start with the base volume as part of their evaluated price. The unit price of each is multiplied by the maximum transactions within the range of either the plus or minus level, as shown in the transaction range level of the bid sheet. The resulting dollar amount is added (subtracted) to the base volume bid amount to produce the evaluation price.

There are two-hundred seventy-four (274) plus or minus level BVMP bid amounts in this RFP. DHCS has chosen to not score all of the bids offered for the plus or minus level but shall instead **randomly** select 69 of the plus or minus levels for scoring from any of the plus or minus levels from any BVMP based bid sheet (16-3 to 16-12, 16-21, 16-22, 16-23). DHCS shall identify the lowest evaluated price offered by any Proposer for that selected bid. The lowest Proposer shall receive one (1) credit point, all other bidders shall receive zero (0) credit points. **(Please note credit points are not to be confused with cost points but are used to determine cost points.)** This process is repeated until all 69 randomly selected plus and minus bids have been scored.

The credit points are then totaled for each Proposer. The Proposer scoring the most credit points shall be awarded 100% of the cost points available for BVMP plus/minus levels. The Proposer scoring the second most credit points shall be awarded 75% of the cost points available for BVMP plus/minus levels. The Proposer scoring the third most credit points shall be awarded 50% of the cost points available for BVMP plus/minus levels. The Proposer scoring the fourth most credit points shall be awarded 25% of the cost points available for BVMP plus/minus levels. There shall be no credit points awarded for anything lower than fourth most credit points.

#### Examples

Proposer A bids as follows:

Plus Level	214,900,001	279,360,000	64,460,000	\$ .10	
Base Volume	172,300,000	214,900,000		\$ 100,000,000.00	3.802
Minus Level	150,770,000	215,379,999	64,610,000	\$ (0.05)	

Proposer B bids as follows:

Plus Level	214,900,001	279,360,000	64,460,000	\$ .20	
Base Volume	172,300,000	214,900,000		\$ 98,000,000.00	3.802

Minus Level	150,770,000	215,379,999	64,610,000	\$	(\$ .20)	
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Proposer C bids as follows:

Plus Level	214,900,001	279,360,000	64,460,000	\$	.10	
Base Volume	172,300,000	214,900,000		\$	110,000,000.00	3.802
Minus Level	150,770,000	215,379,999	64,610,000	\$	(0.05)	

Proposer D bids as follows:

Plus Level	214,900,001	279,360,000	64,460,000	\$	.20	
Base Volume	172,300,000	214,900,000		\$	120,000,000.00	3.802
Minus Level	150,770,000	215,379,999	64,610,000	\$	(\$ .20)	

If the plus level is selected for evaluation the evaluated price for each would be as follows:

	Base Volume	Plus Level	Evaluated Price
Proposer A	\$100,000,000 +	(64,460,000 X \$.10)	= \$106,446,000
Proposer B	\$98,000,000 +	(64,460,000 X \$.20)	= \$110,892,000
Proposer C	\$110,000,000 +	(64,460,000 X \$.10)	= \$116,446,000
Proposer D	\$120,000,000 +	(64,460,000 X \$.20)	= \$132,892,000

**Meaning: Proposer A is awarded 1.0 credit point and Proposer B, C and D are awarded 0.00 credit points.**

Example 2

If the minus level is selected for evaluation the evaluated price for each would be as follows:

	Base Volume	Plus Level	Evaluated Price
Proposer A	\$100,000,000 +	(64,610,000 X -\$.05)	= \$ 96,769,500
Proposer B	\$98,000,000 +	(64,610,000 X -\$.20)	= \$ 85,078,000
Proposer C	\$110,000,000 +	(64,610,000 X -\$.05)	= \$ 106,769,500
Proposer D	\$120,000,000 +	(64,610,000 X -\$.05)	= \$ 116,769,500

**Meaning: Proposer B is awarded 1.0 credit point and Proposer A, C and D are awarded 0.00 credits points.**

This process is repeated until all 69 randomly selected bids have been examined. If the results were: Proposer A receives 10 credit points, Proposer B receives 29 credit points, Proposer C receives 24 credit points, and Proposer D receives 6 credit points, then with 50 Cost points available for the plus and minus level evaluation and scoring, Proposer A would receive 25.0 cost points, Proposer B would receive 50.0 cost points, Proposer C would receive 37.5 cost points, and Proposer D would receive 12.5 cost points.

Proposer	Total Credit Points	Cost Points Available	Percentage Awarded	Cost Points Award
A	10	50.0	50%	25.0
B	29		100%	50.0
C	24		75%	37.5
D	6		25%	12.5

#### **5. Stage 5 – Combining Narrative Technical Score and Cost Proposal Score**

DHCS will combine the Narrative Technical Proposal score and the final Cost Proposal score and will tentatively identify the Proposer with the highest combined proposal score.

#### **6. Stage 6 – On-Site Reviews**

DHCS may conduct on-site reviews of Proposer successfully completing the Narrative Technical and Cost Proposals with the highest overall score in order to validate the capabilities proposed.

The site visit will be at Proposer locations at which the proposed replacement base MMIS or large medical claim payment systems are operational or at which the Proposer provides fiscal agent services. DHCS will select the location of the site visit from a list of suggested sites supplied by the Proposer. It shall be DHCS' preference to visit sites at which the proposed replacement base MMIS or other large medical claims processing system has been developed and installed or is being developed by the Proposer. The transfer system should be as close to comparable in size and complexity to the California Medi-Cal program as possible. At the discretion of DHCS, the On-Site Review of Proposers may optionally be performed at the offices of DHCS and Proposer shall access the Systems remotely for demonstration purposes.

DHCS may develop demonstration criteria specific to any or all areas of the proposed base replacement system capabilities that shall be demonstrated at the On-Site visit. These specific areas will be determined based on the bidder's solution contained within the Narrative Technical Proposal and Gap Analysis submitted as existing capability. If it is determined that the proposed capabilities are validated, the selection process will be complete. If the Proposer's capabilities are not validated,

the RRC will raise the issue to the ERC and provide recommendations. The ERC will accept or reject the RRC recommendations and determine if further action is necessary, including possible elimination of the selected Proposer. If the selected Proposer is eliminated, this process will be repeated with the next highest overall scoring Proposer until the selection process is complete.

At the site visits, each Proposer shall be expected to respond to specific questions and to have appropriate personnel available for discussions. Required personnel shall consist of the four Senior/Executive managers as named in Exhibit J, and up to two additional staff able to demonstrate the proposed replacement system capabilities and/or respond to questions. Relevant systems documentation, procedure manuals, edit tables, and operational processes shall be available for review by DHCS staff.

## 7. Stage 7 – Final Score Calculation

DHCS will use the formula shown below to calculate final Proposal scores and to determine the highest scored Proposal.

		<b>Proposal Component</b>	<b>Maximum Possible Score</b>
a		Narrative Technical Score (60%)	600
b	+	Cost Proposal Score (40%)	400
d	=	<b>Proposer's Total Point Score</b>	1,000

The table above shows the maximum possible scores. A Proposer may receive a score that is less than the maximum shown above.

## 8. Stage 8 - Adjustments to Score Calculations for Bidding Preferences

- a. DHCS will determine which firms, if any, are eligible to receive a bidding preference (i.e., DVBE, small business or non-small business subcontractor preference, TACPA and/or EZA).
- b. To confirm the identity of the highest scored responsive Proposer, DHCS will adjust the total score for applicable claimed preference(s) for those Proposers eligible for bidding preferences. DHCS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the Department of General Services. More information about the allowable bidding preferences appears in the RFP Section S, "Preference and Incentive Programs".

## P. Narrative Technical Proposal Rating Factors

Attachment 20 of the RFP provides the rating factors and general evaluation considerations associated with the proposal content requirements that are identified in the Proposal Content Section of the RFP (Section L, Proposal Format and Content

Requirements), and that meet SOW Requirements as provided in Attachments I through VII of Exhibit A of the RFP. Rating factors and evaluation considerations are organized into the following eleven (11) distinct categories:

Section	Category	Rating
A.	General Proposal Requirements	Pass/Fail
B.	Overall Project Plan and Narrative Work Plan	Pass/Fail
C.	Legacy System Takeover	Pass/Fail
D.	Legacy Systems Operations	Pass/Fail
E.	Legacy Operations – Expansion	Scored Points
F.	Legacy Operations – System Enhancements	Scored Points
G.	Planning and DDI for Replacement System	Scored Points
H.	Transition from Legacy to Replacement	Scored Points
I.	Replacement System Operations	Scored Points
J.	Optional Contractual Services	Scored Points
K.	Turnover	Scored Points

#### Q. Bid Requirements and Information

##### 1. Nonresponsive Proposals

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause DHCS to deem a Proposal nonresponsive.

##### a. Failure of a Proposer to:

- 1) Meet DVBE participation goals or to demonstrate that a substantial Good Faith Effort (GFE) was made to meet those goals.
- 2) Meet Proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging and/or timely and proper delivery of Proposals.
- 3) Pass the Required Attachment / Certification Checklist review (i.e., by not marking “Yes” to applicable items or by not appropriately justifying, to DHCS’ satisfaction, all “N/A” designations).
- 4) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required, if applicable.

##### b. If a Proposer submits a Proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.

##### c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.

- d. If DHCS discovers, at any stage of the bid process or upon Contract award, that the Proposer is unwilling or unable to comply with the Contract terms, conditions and exhibits cited in this RFP or the resulting Contract.
- e. If other irregularities occur in a Proposal response that is not specifically addressed herein (i.e., the Proposer places any conditions on performance of the SOW Requirements, submits a counter Proposal, etc.).

## **2. Proposal Modifications after Submission**

- a. All Proposals are to be complete when submitted. However, an entire Proposal may be withdrawn and the Proposer may resubmit a new Proposal, prior to Proposal due date.
- b. To withdraw and/or resubmit a new Proposal, follow the instructions appearing in the RFP section entitled, "Withdrawal and/or Resubmission of Proposals".

## **3. Proposal Mistakes**

If prior to Contract award, award confirmation, or Contract signing, a Proposer discovers a mistake in their Proposal and/or cost offering that renders the Proposer unable or unwilling to perform all SOW Requirements services as described in its Proposal response for the price/costs offered, the Proposer must immediately notify DHCS and submit a written request to withdraw its Proposal following the procedures set forth in Section Q, Paragraph 4b.

## **4. Withdrawal and/or Resubmission of Proposals**

- a. Withdrawal deadlines

A Proposer may withdraw a Proposal at any time before the Proposal submission deadline.

- b. Submitting a Withdrawal Request

- 1) Submit a written withdrawal request, signed by an authorized representative of the Proposer.
- 2) Label and submit the withdrawal request using one (1) of the following methods.



<b>U.S. Mail, Hand Delivery or Overnight Express:</b>	<b>Fax:</b>
Withdrawal RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement Mail Station 4200 1501 Capitol Avenue, Suite 71.3041 P.O. Box 997413 Sacramento, CA 95899-7413	Withdrawal RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement <b>Fax: (916) 440-7369</b>
E-mail: OMCPRFP5@dhcs.ca.gov	

- 3) **[For faxed withdrawal requests]** Proposers must call DHCS' OMCP at (916) 552-8006 to confirm receipt of a faxed withdrawal request. Follow-up the faxed request by mailing or delivering the signed original withdrawal request within 24 hours after submitting a faxed request.

An originally signed withdrawal request is generally required before DHCS will return a Proposal to a Proposer. DHCS may grant an exception if the Proposer informs DHCS that a new or replacement Proposal will immediately follow the withdrawal.

c. Resubmitting a Proposal

After withdrawing a Proposal, Proposers may resubmit a new Proposal according to the Proposal submission instructions. Replacement Proposals must be received at the stated place of delivery by the Proposal due date and time.

## 5. Contract Award and Protests

a. Contract Award

- 1) Award of the Contract, if awarded, will be to the responsive and responsible Proposer, who earns the highest total score. The highest scored Proposal will be determined after DHCS adjusts Proposer scores for applicable bidder preferences.
- 2) DHCS shall award the Contract only after DHCS posts a Notice of Intent to Award for five (5) working days. DHCS expects to post the Notice of Intent to Award before the close of business on July 27, 2009 in a Contract Award Notices Binder which will be available for viewing by the public during normal business hours, at the following location:

Department of Health Care Services  
Contract Management Unit  
1501 Capitol Avenue, First Floor Guard Station  
Sacramento, CA 95814

- 3) DHCS will mail, email, or fax a written notification and/or a copy of the Notice of Intent to Award to all firms that submitted a Proposal.
- 4) DHCS will confirm the Contract award to the winning Proposer after the protest deadline, if no protests are filed or following the DGS resolution of all protests. DHCS staff may confirm an award verbally or in writing.

b. Settlement of Ties

- 1) In the event of a precise total high score tie between a responsive Proposal submitted by a certified small business or microbusiness and a responsive Proposal submitted by a certified DVBE that is also a certified small business, the Contract will be awarded to the DVBE firm per Government Code Section 14838(f) et seq.
- 2) In the event of a precise total high score tie between a responsive Proposal submitted by a firm that was granted non-small business subcontractor preference and a responsive Proposal submitted by a certified small business or microbusiness, the Contract will be awarded to the certified small business or microbusiness.
- 3) In the event of a precise total high score between a responsive Proposal submitted by a nonprofit veteran service agency (NVSA) that is a certified small business and a responsive Proposal submitted by a certified DVBE that is also a certified small business, the Contract will be awarded to the certified DVBE.
- 4) In the absence of a California law or regulation governing a specific tie, DHCS will settle all other precise total high score ties by making an award between tied Proposers to the first tied Proposer who earns the highest score in the following prioritized comparisons (Letter “a” being the highest priority and Letter “f” being the lowest priority).
  - a) Narrative Technical proposal score for the Replacement System Planning and DDI;
  - b) Narrative Technical proposal score for the Transition from Legacy System to Replacement System;
  - c) Narrative Technical proposal score for Legacy System Enhancements;
  - d) Narrative Technical proposal score for Legacy System Operations Expansion Items;

- e) Narrative Technical proposal score for Replacement System Operations;
- f) Lowest overall cost.

If all above scores are also tied, DHCS will settle the tie in a manner that DHCS determines to be fair and equitable (e.g., coin toss, lot drawing, etc.). In no event will DHCS settle a tie by dividing the work among the tied Proposers.

c. Protests

1) Who can Protest

Any Proposer who submits a Proposal may file a protest pursuant to Public Contract Code Section 10345.

2) Grounds for Protests

Protests are limited to the grounds described in Public Contract Code (PCC) Section 10345. DHCS will not make an award until all protests are withdrawn by the protestant, denied, or resolved to the satisfaction of the DGS.

3) Protest Time Lines

- a) If an eligible Proposer wishes to protest the intended Contract award, the Proposer must file a "Notice of Intent to Protest" with both DHCS and the DGS within five (5) working days after DHCS posts the Intent to Award. The Notice of Intent to Protest may be quite brief. Any Notice of Intent to Protest filed more than five (5) working days after DHCS posts the Notice of Intent to Award shall be deemed untimely.
- b) Within five (5) calendar days after filing a "Notice of Intent to Protest", the protestant must file with both DHCS and the DGS a full and complete written protest statement identifying the specific grounds for the protest. The statement must contain, in detail, the reasons, law, rule, regulation, or practice that the protestant believes DHCS has improperly applied in awarding the Contract.

4) Submitting a Protest

Protests must be filed with **both** the DGS and DHCS. Proposers may hand deliver, mail or fax a protest.

Label, address, and submit the initial protest notice and detailed protest statement using one (1) of the following methods.

Send the protest to DHCS' Contracting Management Unit at:

<b>U.S. Mail, Hand Delivery or Overnight Express:</b>	<b>Fax:</b>
<b>Protest to DHCS RFP 08-85022</b> Department of Health Care Services Contract Management Unit Mail Station 1403 P.O. Box 997413 1501 Capitol Avenue, Suite 71.5195 Sacramento, CA 95899-7413	<b>Protest to DHCS RFP 08-85022</b> Department of Health Care Services Contract Management Unit  <b>Fax:</b> (916) 650-0111
<b>Protest to DHCS RFP 08-85022</b> Dept. of General Services Office of Legal Services Attention: Protest Coordinator 707 Third Street, 7 <sup>th</sup> Floor, Suite 7-330 P.O. Box 989052 West Sacramento, CA 95798-9052	<b>Protest to DHCS RFP 08-85022</b> Dept. of General Services Office of Legal Services  <b>Fax:</b> (916) 376-5088

Please send a copy as an FYI to DHCS' OMCP at:

<b>U.S. Mail:</b>	<b>Hand Delivery or Overnight Express/Courier:</b>
Protest to RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement MS 4200 P.O. Box 997413 Sacramento, CA 95899-7413	Protest to RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement MS 4200 1501 Capitol Ave Suite 71.3041 Sacramento, CA 95814
<b>Fax:</b>	
Protest to RFP 08-85022 <b>California Medicaid Management Information Systems Fiscal Intermediary</b> Department of Health Care Services Office of Medi-Cal Procurement Fax: (916) 440-7369	

**For Faxed Protests**

Faxed protests must be followed-up by sending an original signed protest, with all supporting material, within one (1) calendar week of submitting the faxed protest.

Call the telephone numbers below to confirm receipt of a fax transmission:

DGS	(916) 376-5080
DHCS/ Contract Management Unit	(916) 650-0150
DHCS/Office of Medi-Cal Procurement	(916) 552-8006

**6. Disposition of Proposals**

- a. All materials submitted in response to this RFP will become the property of DHCS and, as such, are subject to the Public Records Act (GC Section 6250, et seq.). DHCS will disregard any language purporting to render all or portions of any Proposal confidential.
- b. Upon posting of a Notice of Intent to Award, all documents submitted in response to this RFP and all documents used in the selection process (e.g., review checklists, scoring sheets, letters of intent, etc.) will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. However, Proposal contents, Proposer correspondence, selected working papers, or any other medium shall be held in the strictest confidence as allowed by law.
- c. Pursuant to Public Contract Code 10305, only the bid components of a proposal that have been opened will be available for public inspection. At the conclusion of the entire procurement process, to include a Protest, all unopened bid components will be confidentially destroyed or, if requested, returned to the Proposer as described in d. below.
- d. DHCS may return a Proposal to a Proposer at their request and expense after DHCS concludes the bid process.
- e. Losing Proposals will be destroyed after six (6) months due to OMCP storage limitations.

**7. Inspecting or Obtaining Copies of Proposals**

- a. Who Can Inspect or Copy Proposal Materials

Any person or member of the public can inspect or obtain copies of any Proposal materials.

- b. What Can be Inspected / Copied and When

- 1) After the Pre-Proposal Conference, the sign-in or attendance sheet is a public record and will be available for inspection or copying.

- 2) On or after the date DHCS posts the Notice of Intent to Award, all Proposals, Proposers Lists, RFP download lists, conference sign-in/attendance sheet, letters of intent, checklists and/or scoring/evaluation sheets become public records. These records shall be available for review, inspection and copying during normal business hours.

c. Inspecting or Obtaining Copies of Proposal Materials

Persons wishing to view or inspect any Proposal or award related materials must identify the items they wish to inspect and must make an inspection appointment by contacting OMCP at (916) 552-8006.

Persons wishing to obtain copies of Proposal materials may visit DHCS. DHCS does not possess sufficient staff to reproduce and mail any Proposal or award related materials. Additionally, DHCS will not provide persons with a State owned copy machine to make copies of Proposal or award related materials. However, there are other options, which are listed below.

Persons wishing to reproduce Proposal or award related materials at OMCP may do so through the following methods:

For Hard Copies: Persons requesting to obtain copies of Proposal or award related materials must make copies using their own copy machine and paper that are brought in to OMCP premises. Employees of OMCP are not available to copy the materials. Materials will not be released from State premises for the purposes of making copies.

Sending blank CD-R's: Interested parties also have the option of sending blank CD-Rs to OMCP by mail to the address listed below. Once received, OMCP will then send the requested Proposal or award related materials. Hard copy information will not be available electronically or in CDs.

**Request for Copies - RFP 08-85022**

**California Medicaid Management Information Systems Fiscal Intermediary**

Department of Health Care Services

Office of Medi-Cal Procurement

MS 4200

P.O. Box 997413

Sacramento, CA 95899-7413

**8. Verification of Proposer Information**

By submitting a Proposal, Proposers agree to authorize DHCS to:

- a. Verify any and all claims made by the Proposer including, but not limited to verification of prior experience and the possession of other qualification requirements, and proposed system details as described in the Proposer's Gap Analysis.

- b. Check any reference identified by a Proposer or other resources known by DHCS to confirm the Proposer's business integrity and history of providing effective, efficient and timely services.

## 9. DHCS Rights

In addition to the rights discussed elsewhere in this RFP, DHCS reserves the following rights.

### a. RFP Corrections

- 1) DHCS reserves the right to do any of the following up to the Proposal submission deadline:
  - a) Modify any date or deadline appearing in this RFP or the RFP Time Schedule.
  - b) Issue clarification notices, addenda, alternate RFP instructions, forms, etc.
  - c) Waive any RFP requirement or instruction for all Proposers if DHCS determines that the requirement or instruction was unnecessary, erroneous or unreasonable.
  - d) Allow Proposers to submit questions about any RFP change, correction or addenda. If DHCS allows such questions, specific instructions will appear in the cover letter accompanying the document.
- 2) If deemed necessary by DHCS to remedy an RFP error or defect that is not detected in a timely manner, DHCS may also issue correction notices or waive any unnecessary, erroneous, or unreasonable RFP requirement or instruction after the Proposal submission deadline.
- 3) If this RFP is clarified, corrected, or modified, DHCS will mail, email, or fax written clarification notices, Administrative Bulletins and/or RFP addenda to all persons/firms that submitted a Request for Inclusion on Mailing List. All RFP correction/modification information may be accessed by visiting the following website:  
[http://www.dhcs.ca.gov/provgovpart/rfa\\_rfp/Pages/OMCPCammisfiHOME.aspx](http://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/OMCPCammisfiHOME.aspx)

If DHCS decides, just before or on the Proposal due date, to extend the submission deadline, DHCS may choose to notify potential Proposers of the extension by fax, email, or by telephone. DHCS will follow-up any verbal notice in writing by fax, email, or by mail.

### b. Collecting Information from Proposers

- 1) If deemed necessary, DHCS reserves the right to request clarifying information during or after the Proposal review and evaluation process. DHCS will advise the Proposers orally, by fax, email, or in writing of the documentation that is required and the time line for submitting the

documentation. DHCS will follow-up oral instructions in writing by fax, email, or mail. Failure to submit the required documentation by the date and time indicated may cause DHCS to deem a Proposal nonresponsive.

- 2) DHCS, at its sole discretion, reserves the right to collect, by mail, email, fax or other method; the following omitted documentation and/or additional information.
  - a) Signed copies of any form submitted without a signature.
  - b) Data or documentation omitted from any submitted RFP attachment/form.
  - c) Information/material needed to clarify or confirm certifications or claims made by a Proposer.
  - d) Information/material or form needed to correct or remedy an immaterial defect in a Proposal.
- 3) The collection of Proposer documentation may cause DHCS to extend the date for posting the Notice of Intent to Award. If DHCS changes the posting date, DHCS will advise the Proposers with a posting on the OMCP website and/or orally, via email, or in writing, of the alternate posting date.

c. Immaterial Proposal Defects

- 1) DHCS may waive any immaterial defect in any Proposal and allow the Proposer to remedy those defects. DHCS reserves the right to use its best judgment to determine what constitutes an immaterial deviation or defect.
- 2) DHCS' waiver of an immaterial defect in a Proposal shall in no way modify this RFP or excuse a Proposer from full compliance with all bid requirements.

d. Correction of Clerical or Mathematical Errors

- 1) DHCS reserves the right, at its sole discretion, to overlook, correct or require a Proposer to remedy any obvious clerical or mathematical errors occurring in the narrative technical portion of a Proposal, on a Cost Proposal form or on a Budget Detail Work Sheet.
- 2) If the correction of an error results in an increase or decrease in the total price, DHCS shall give the Proposer the option to accept the corrected price or withdraw their Proposal.
- 3) Proposers may be required to initial corrections to costs and dollar figures on the Cost Proposal form or a Budget Detail Work Sheet if the correction results in an alteration of the annual costs or total cost offered.
- 4) If a mathematical error occurs in a total or extended price and a unit price is present, DHCS will use the unit price to settle the discrepancy.



e. Right to Remedy Errors

DHCS reserves the right to remedy errors caused by:

- 1) DHCS office equipment malfunctions or negligence by agency staff,
- 2) Natural disasters (i.e., floods, fires, earthquakes, etc.).

f. No Contract Award or RFP Cancellation

The issuance of this RFP does not constitute a commitment by DHCS to award a Contract. DHCS reserves the right to reject all Proposals and to cancel this RFP.

g. Contract Amendments after Award

As provided in the Public Contract Code governing Contracts awarded by competitive bid, DHCS reserves the right to amend the Contract by agreement of both parties, after DHCS makes a Contract award.

h. Proposed Use of Subcontractors and/or Consultants

Specific subcontract relationships proposed in response to this RFP (i.e., identification of pre-identified subcontractors and consultants) shall not be changed during the procurement process or prior to Contract execution. The pre-identification of a subcontractor or consultant does not affect DHCS' right to approve personnel or staffing selections or changes made after the Contract award.

i. Staffing Changes after Contract Award

DHCS reserves the right to approve or disapprove changes in key personnel that occur after DHCS awards the Contract.

**R. Bidding Certification Clauses**

**1. Certificate of Independent Price Determination**

a. The prospective Proposer certifies that:

- 1) The prices in this bid or Proposal have been arrived at independently without any consultation, communication or agreement with any other Proposer, Proposer or competitor for the purpose of restricting competition relating to:
  - a) The prices or costs offered,
  - b) The intention to submit a bid or Proposal,
  - c) The methods or factors used to calculate the costs or prices offered.
- 2) The prices in this bid or Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before the bid/cost Proposal opening date or date of Contract award posting, unless otherwise required by law.

- 3) No attempt has been made or will be made by the Proposer to induce any other firm or entity to submit or not to submit a bid or Proposal for the purpose of restricting competition.
- b. Each signature appearing on the documents contained in this bid package/Proposal is considered to be a certification by the signatory that the signatory:

Is the person in the Proposer's organization that is either responsible for determining the prices offered in this bid or Proposal and/or is designated to complete the bid or Proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph a.

## **2. Debarment and Suspension Certification**

- a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:
  - 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - 2) Have not within a three (3) year period preceding this Proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or Contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph a.2) of this certification; and
  - 4) Have not within a three (3) year period preceding this application/Proposal had one (1) or more public transactions (Federal, State or local) terminated for cause or default.
  - 5) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
  - 6) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this Contract.

### **3. Lobbying Restrictions and Disclosure**

- a. The Contractor certifies, to the best of its knowledge and belief, that:
  - 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal Contract, grant, loan, or cooperative agreement.
  - 2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - 3) The Contractor shall require that the contents of this certification be collected from the recipients of all subawards, exceeding \$100,000, at all tiers (including subcontracts, subgrants, etc.) and shall be maintained for three (3) years following final payment/settlement of those agreements.
- b. This certification is a material representation of fact upon which reliance was placed when this Contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this Contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- c. The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, DHCS upon request or may be copied from Exhibit D(F) entitled, Special Terms and Conditions.

### **S. Preference and Incentive Programs**

Government Code Section 14837 et seq., requires all small businesses, microbusinesses, and DVBES perform a "commercially useful function" in any contract they perform for the State. A business that is performing a commercially useful function is one that does all of the following:

The company is responsible for the execution of a distinct element of the work of the contract.

The company will carry out its obligation by actually performing, managing, or supervising the work involved.

The company is performing work that is normal for its business, service and function.

The company will not further subcontract a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

The Proposer must provide a written statement detailing the role, services and/or goods the small business, microbusiness, and/or DVBE will provide to meet the Commercially Useful Function requirement.

To confirm the identity of the highest scored responsive Proposer, DHCS will adjust the total point score for applicable claimed preference(s). Bidding preferences shall not be applied to Proposals that fail to pass the Checklist Review or fail to earn a minimum passing score during the Narrative Technical Proposal scoring process. DHCS will apply preference adjustments to eligible Proposers according to State regulations following on-line or personal verification of eligibility with the appropriate office of the DGS.

### **1. Small Business / Microbusiness Preference**

- a. A responsive California small business or microbusiness Proposer claiming preference and verified as a certified small business or microbusiness in a relevant business category or type will be granted a preference of five percent (5%) of the total point score earned by the responsive/responsible Proposer with highest combined score, if the highest scored Proposal is submitted by a non-small business. Non-small business means a responsive/responsible Proposer that is not certified by the California DGS as a California small business or microbusiness in a relevant business category or type. The “service” category or business type will most likely apply to this procurement. Nonprofit Veteran Service Agencies (NVSA) are to view the instructions in Provision 3 of this Section (Preference Programs).
- b. To be certified as a California small business or microbusiness and eligible for a bidding preference the business concern must meet DHCS’s eligibility requirements and must have submitted an application for small business status no later than 5:00 p.m. on the Proposal submission deadline.
- c. Firms desiring small business or microbusiness certification must obtain the appropriate Small Business Certification Application (STD 812 or other form) from the appropriate office of the DGS, fully complete the application, and submit it to the DGS as instructed in the application. Prospective proposing firms desiring small business certification assistance, may contact the DGS by the following means:
  - 1) (916) 322-5060 (24 hour recording and mail requests), or
  - 2) (916) 375-4940 (Small business assistance) or (800) 559-5529 (live operator Central receptionist), or
  - 3) Internet address: <http://www.pd.dgs.ca.gov/smbus/default.htm> or
  - 4) Fax: (916) 375-4950, or
  - 5) Email: [osdchelp@dgs.ca.gov](mailto:osdchelp@dgs.ca.gov)

## **2. Non-Small Business Subcontractor Preference**

- a. Non-small business means a responsive/responsible Proposer that is not certified by the California DGS as a small business or microbusiness.
- b. If the responsive Proposer earning the highest total score is not a certified small business/microbusiness, a bid preference up to five percent (5%) is available to a responsive non-small business Proposer committing twenty-five percent (25%) small business subcontractor use of one (1) or more small businesses. When applicable, the preference points will be calculated pursuant to the regulations in Title 2, California Code of Regulations (CCR) § 1896.8 and will be added to total score of an eligible non-small business. This preference is authorized pursuant to Title 2, CCR § 1896.2 and Government Code § 14835.
- c. If a Proposer claims the non-small business subcontractor preference, the Proposal response must identify each proposed small business subcontractor that will be used, the participation percentage and dollar amount committed to each identified small business subcontractor, and substantial proof to enable verification of each subcontractor's small business status. The total small business subcontractor use must equal no less than twenty-five percent (25%) of the total cost offered.
- d. To be granted preference, each proposed small business subcontractor must possess an active small business certification issued by the DGS, must perform a "commercially useful function" under the Contract and the basic functions to be performed must be identified at the time of Proposal submission.

To request the non-small business subcontractor preference complete Attachment 10a (Non-Small Business Subcontractor Preference Request) and Attachment 10b (Small Business Subcontractor/Supplier Acknowledgement).

## **3. Nonprofit Veteran Service Agency (NVSA) Small Business Preference**

- 1) Pursuant to Military and Veteran Code Section 999.50 et seq., responsive/responsible nonprofit veteran service agencies (NVSAs) claiming small business/microbusiness preference and verified as such in the relevant category or business type prior to the Proposal submission due date will be granted a preference up to five percent (5%) of the highest score, if the highest scored responsive Proposal is submitted by a Proposer not certified as a small business/microbusiness. The "service" category is the business type that will most likely apply to this procurement.
- 2) To be eligible for the NVSA small business preference, the business concern must:
  - 1) Request small business preference at the time of Proposal submission, and
  - 2) Become certified as a small business by the appropriate office of the California DGS prior to the Proposal submission due date.

- 3) Refer to the RFP section entitled, “Settlement of Ties” to learn how tied Proposals will be resolved.

#### **4. DVBE Incentive**

##### **a. DVBE Participation / Incentive Requirement**

This procurement is subject to a Disabled Veteran Business Enterprise (DVBE) participation goal of one percent (1%). Pursuant to California laws and regulations, a DVBE incentive in the form of points shall be added to the sum of the Narrative Technical Proposal score (non-cost score) of responsive/responsible Proposers that provide for utilization of California certified DVBEs. The application of the allowed incentive is one percent (1%) of the total possible points. The DVBE Incentive Scale below illustrates the earnable incentive points based on the amount of DVBE participation. Proposers must either achieve actual Disabled Veteran Business Enterprise (DVBE) participation or make an adequate Good Faith Effort (GFE) to meet the DVBE participation requirements. Detailed requirements are outlined in Attachment 9 (DVBE Instructions/Forms). This requirement applies if the total cost or price offered equals \$10,000 or more.

##### **b. Application of the DVBE Incentive**

Points will be added to the Narrative Technical Proposal (non-cost) score of an eligible Proposer by the applicable DVBE Incentive percentage as computed on the total possible points earnable for both the Narrative Technical Proposal (non-cost) score and Cost Proposal score, when a Proposer:

- 1) Commits participation or use of DVBEs to perform commercially useful functions under the resulting Contract. To demonstrate DVBE participation, Proposers are to:
  - a) Follow the DVBE participation form completion instructions in Attachments 9, 9a and 9b and return the applicable DVBE forms, with the Proposal response.
  - b) DVBE participation commitments must be acknowledged and confirmed via submission of a signed DVBE Subcontractor/Supplier Acknowledgement form with the Proposal response.
- 2) When responsive/responsible Proposers claim and are deemed eligible for the small business preference and/or the DVBE Incentive or both, the small business preference will be applied first.
- 3) The DVBE Incentive adjustment for this procurement may not exceed one percent (1%) of the total possible points.
- 4) When responsive/responsible Proposers are eligible one (1) or more incentives and/or preferences, the order of application shall be as follows:
  - a) Small business preference will be applied first (if applicable),

- b) The DVBE Incentive second (if applicable),
- c) The non-small business subcontractor preference (if applicable), and
- d) Other bid preferences including target Area Contract Preference Act preference (TACPA), Enterprise Zone Act (EZA), Local Area Military Base RECOVERY Act (LAMBRA) preference, etc. (if applicable).

c. DVBE Incentive Scale

Unless superseded and replaced by an alternate DVBE Incentive Scale prior to Proposal due date, the following incentive scale will apply to this procurement.

Illustration of possible incentive

Illustration of possible Narrative Technical Proposal (non-cost) points = 600

Illustration of possible Cost Proposal points = 400

Illustration of total possible points = 1000

Percentage of DVBE Participation Achieved and Acknowledged	Allowable DVBE Incentive Added to a Technical Proposal (Non-Cost) Score
1% or more	1% of total possible points (1% X 1000) = 10

## 5. Target Area Contract Preference Act and Enterprise Zone Act

- a. Government Code (GC) Section 4530 (TACPA) and GC Section 7070 (EZA) provide that California based companies shall be granted a 5% preference whenever a state agency prepares a solicitation for **services** in excess of \$100,000. The preference(s) shall apply if the worksite is not fixed by the government agency and the Proposer can demonstrate and certify, under the penalty of perjury, that at least 90% of the total labor hours required to perform the services shall be performed at an identified worksite located in a distressed area (TACPA) or enterprise zone (EZA). TACPA/EZA preferences will only be applied if this procurement results in more than one (1) responsive Proposal receiving a passing Narrative Technical Proposal score.
- b. Additional work force preferences ranging from 1% to 4% can be earned by eligible Proposers that agree to hire 5% to 20% of persons with a high risk of unemployment or those living in a targeted employment area or that are enterprise zone eligible to perform a specified percentage of the Contract work.
- c. The granting of TACPA or EZA preference cannot displace an award to a certified small business.
- d. Proposers seeking TACPA and/or EZA preference must submit a completed STD 830 - Target Area Contract Preference Act Request (Attachment 11) or a STD 831 - Enterprise Zone Act (EZA) Preference Request (Attachment 12) with their Proposal. The applicable preference request form must include the following:
  - 1) All appropriate certifications. (TACPA and EZA)
  - 2) The proposing firm's name and the name of all suppliers and subcontractors that will work with the Proposer to fulfill the terms of the Contract along with

- the addresses of each of the worksite(s) and estimated labor hours. (TACPA and EZA)
- 3) County census tract number and block group number. (TACPA)
  - 4) Enterprise zone name(s). (EZA)
  - 5) Proposer's original signature. (TACPA and EZA)
  - 6) A checkbox marked to identify the additional 1% to 4% preference sought for hiring persons with a high risk of unemployment. (TACPA and EZA)
- e. TACPA and/or EZA preference cannot be granted if:
- 1) The lowest proposed cost does not equal or exceed \$100,000 for the life of the contract, **or**
  - 2) The work site or any part thereof is fixed or preset by DHCS, **or**
  - 3) The services involve construction or a public works project **or**
- f. A Proposer who has claimed a TACPA and/or EZA preference and is awarded the Contract will be obligated to perform in accordance with the preference(s) requested, provided the preference was granted in obtaining the Contract. Firms receiving preference must:
- 1) Report their labor hours to DHCS and
  - 2) Reference the state Contract on which the award is based for the specific reporting requirements.
- g. Proposers wishing to learn more about TACPA and/or EZA requirements, designated work site(s) or enterprise zones in California should contact the appropriate office of the DGS at (916) 375-4940. DGS will attempt to determine TACPA and/or EZA eligibility within two (2) State work days.

## **6. Local Military Base Recovery Area (LAMBRA) Act Preference**

- a. LAMBRA preference may be granted for this procurement if the lowest cost offered is \$100,000 or more; if no part of the worksite is fixed by DHCS, and the Proposer can demonstrate and certify, under the penalty of perjury, that 100% of the total labor hours required to perform the services shall be performed at an approved worksite located in a local military base recovery area. LAMBRA preference will only be applied if this procurement results in more than one (1) responsive Proposal receiving a passing Technical Proposal score.
- b. Proposers seeking to obtain a LAMBRA 5% preference must submit acquire and submit a completed STD 832 (Local Military Base Recovery Area Act for Goods and Services Solicitations) with their Proposal response. The STD 832 may be accessed at this Internet site:  
<http://www.documents.dgs.ca.gov/osp/pdf/std832.pdf>.
- c. Proposers wishing to obtain more information about LAMBRA Preference should visit this website: <http://www.pd.dgs.ca.gov/edip/lambra.htm>.



## 7. Combined Preferences

The maximum preference or score addition that any Proposer may be granted for preference, non-small business subcontractor preference, TACPA preference, EZA preference, or LAMBRA preference combined is 15%.

Any firm that claims and is granted non-small business subcontractor preference, TACPA preference, EZA preference, and/or LAMBRA preference cannot displace an award to a certified small business or microbusiness.

## T. Contract Terms and Conditions

The winning Proposer must enter a written Contract that may contain portions of the Proposer's Proposal (i.e., Budget Detail Work Sheets, Work Plan), SOW Requirements, standard Contract provisions, the Contract form, and the exhibits identified below. Anything in the RFP or Proposal will be incorporated in to the Contract.

The exhibits identified in this section contain Contract terms that require strict adherence to various laws and Contracting policies. A Proposer's unwillingness or inability to agree to the proposed terms and conditions shown below or contained in any exhibit identified in this RFP may cause DHCS to deem a Proposer non-responsible and ineligible for an award. DHCS reserves the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version is available.

Note: Pro forma Contract language will be in past tense because it will be the Contract.

The exhibits identified below illustrate many of the terms and conditions that may appear in the final agreement between DHCS and the winning Proposer. Other terms and conditions, not specified in the exhibits identified below, may also appear in the resulting agreement. Some terms and conditions are conditional and may only appear in an agreement if certain conditions exist (i.e., Contract total exceeds a certain amount, federal funding is used, etc.).

DHCS will not accept alterations to the General Terms and Conditions (GTC), DHCS' Special Terms and Conditions, the SOW Requirements, other exhibit terms/conditions, or alternate language that is proposed or submitted by a prospective Contractor. DHCS will consider a Proposal containing such provisions "a counter Proposal" and DHCS may reject such a Proposal as nonresponsive.

### 1. Sample Contract Forms / Exhibits

Exhibit Label	Exhibit Name
a. Exhibit A1	Standard Agreement
b. Exhibit A	SOW Requirements (including Attachments)
c. Exhibit B	Budget Detail and Payment Provisions
d. Exhibit B-1	Special Payment Provisions

<b>Exhibit Label</b>	<b>Exhibit Name</b>
e. Exhibit C - View on-line.	General Terms and Conditions (GTC 307). View or download this exhibit at this Internet site: <a href="http://www.ols.dgs.ca.gov/Standard+Language/default.htm">http://www.ols.dgs.ca.gov/Standard+Language/default.htm</a> .
f. Exhibit D(F)	Special Terms and Conditions
g. Exhibit E	Additional Provisions
h. Exhibit F	Contractor's Release
i. Exhibit G	Travel Reimbursement Information
j. Exhibit H	HIPAA Business Associate Addendum
k. Exhibit I	Information Confidentiality and Security Requirements
l. Exhibit J	Staffing Requirements
m. Exhibit K	Glossary
n. Exhibit L	Gap Analysis

## **2. Unanticipated Tasks**

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in DHCS' opinion is necessary to successfully accomplish the SOW Requirements, DHCS will initiate a Contract amendment to add that work. All terms and conditions appearing in the final Contract including the salary/wage rates, unit rates and/or other expenses appearing on the Proposer's Price Bid Proposal will apply to any additional work and extension options.

## **3. Resolution of Language Conflicts (RFP vs. Final Agreement)**

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.